COSCO SHIPPING

The Ports for ALL

COSCO SHIPPING Ports Limited

中遠海運港口有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

# 2024 ANNUAL REPORT

30TH | 1994-2024

## ADVANCING TOGETHER FOR THREE DECADES

## CHARTING NEW HORIZONS THROUGH INNOVATION


LEVERAGING A GLOBAL NETWORK
EMPOWERING THROUGH LEAN INNOVATION
DEEPENING STRATEGIC COLLABORATION
ENSURING SAFE AND STEADY GROWTH
COSCO SHIPPING


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# CORPORATE PROFILE

COSCO SHIPPING Ports Limited (Stock Code: 1199) is a leading port logistics service provider in the world and its terminals portfolio covers the five main port regions and the middle and lower reaches of the Yangtze River in China, Europe, the Mediterranean, the Middle East, Southeast Asia, South America and Africa, etc. As at 31 December 2024, COSCO SHIPPING Ports operated and managed 375 berths at 39 ports globally, of which 226 were for containers, with an annual handling capacity of approximately 124 million TEU.

Building on the brand philosophy of "The Ports for ALL", COSCO SHIPPING Ports has established its corporate mission of "Connecting Different Worlds" and is committed to maintaining a customer-centric approach to continuously improve the service and capacity of its global network and enhance the strategic positioning of key node ports and optimise logistics resource distribution. Leveraging ports as a conduit to connect global shipping services and serve global trade, the Company is dedicated to establishing a platform for mutual benefits and shared successes for all stakeholders involved with a vision of becoming "the leading global port logistics service provider with a customer-oriented focus".

# Corporate Profile

# 30 YEAR MILESTONE

| Covers Countries and Regions | Operates and Manages Terminals | Market Cap Increase of Over | Dividend Payout Ratio Consistently not Lower than |
|---|---|---|---|
| **17** | **48** | **5** times | **35**% |

*1994-2002*

## Setting Sail from Hong Kong, Laying the Foundation

- 1994: Listed on the Stock Exchange of Hong Kong Limited on 19 December 1994.
- 1995: Acquired 50% stake in COSCO-HIT Terminal from China Ocean Shipping (Group) Company (COSCO Group), the Group's first investment in container terminals.
- 1997: Acquired partial equity interests in four terminals from COSCO Group, including Yantian Terminal (5%) and Zhangjiagang Win Hanverky Container Terminal Co., Ltd. (51%), further solidifying the Group's focus on container leasing and container terminal operations as core business.

*2003-2015*

## Expanding Globally, Building a Worldwide Network

- 2003: Acquired a 49% equity interest in COSCO-PSA Terminal in Singapore, the first overseas terminal project of the Group under the strategy "based in China with a global vision".
- 2004: Acquired a 25% equity interest in Antwerp Terminal in Belgium, further expanding the Group's global terminal network.
- 2008: Acquired a concession to operate Piers 2 and 3 of Piraeus Port in Greece, marking the Group's first wholly-owned terminal project.

*2016-2020*

## Restructuring for Empowerment, Smartly Connecting the Future

- 2016: Following a restructuring, the Company was officially renamed COSCO SHIPPING Ports Limited, adopting the brand development philosophy of "The Ports for ALL" and committing to becoming "the ports for all people" with greater professionalism and focus.
- 2017: Invested in NPH Group (now known as CSP Spain Related Companies), further expanding its international business footprint. Investments in Nantong Tonghai Terminal and Wuhan Yangluo Terminal (now known as CSP Wuhan Terminal), along with rail-water intermodal project, accelerated the diversification of its business portfolio.
- 2018: In December, the Group's first overseas greenfield subsidiary, CSP Abu Dhabi Terminal, held its inauguration ceremony.
- 2019: Increased its shareholding in Beibu Gulf Port, participating in the integration of Guangxi ports and strengthening cooperation.
- 2020: Xiamen Ocean Gate Terminal, in collaboration with COSCO SHIPPING, Dongfeng Corporation, and China Mobile, officially unveiled the achievements of the "5G Smart Port Demonstration Project".

*2021-2024*

## Green Transformation and Digital Intelligence

- 2021: The groundbreaking ceremony of COSCO SHIPPING Ports' Xiamen Haicang Supply Chain, which integrates the supply chain infrastructure facilities of "automated terminal + automated railway + automated warehouse", was held in Xiamen Haicang.
- 2022: COSCO SHIPPING Ports had been selected as a constituent stock of Hang Seng Corporate Sustainability Benchmark Index. The concession rights for CSP Zeebrugge Terminal were extended by 15 years to 2055.
- 2023: Increase of 30% equity interest in Xiamen Ocean Gate Terminal to a wholly-owned subsidiary. Investments in Red Sea Containers Terminals in Egypt and CTT in Germany, further enhanced the Group's global layout.
- 2024: CSP Chancay Terminal officially commenced trial operations, significantly reducing shipping time between Peru and China and cutting logistics costs by over 20%. This project positions Peru as a key gateway connecting Latin America and Asia, bringing new development opportunities to the entire Latin American region.

# MAJOR EVENTS

## 2024 JAN

- Since CSP Abu Dhabi CFS became a full logistics service provider for the Emirates Steel (ESA) Arkan bulk transportation project in the fourth quarter of last year, it has continued to break away from the traditional mode of operation of container freight stations, and has upgraded its diversified services based on the growth of its container business to move towards becoming a full-service logistics provider.

## 2024 FEB

- CSP Wuhan Terminal opened the first China-Europe rail-water intermodal transport channel for timber, fully implementing the "Shipping + Port + Logistics" full chain transportation services from Europe to the Yangtze River Delta region.


## 2024 MAR

- Awarded "Best Shipping Port Operator Hong Kong", "Best Investor Relations Company (Ports sector) Hong Kong", "Most Sustainable Company (Ports sector) Hong Kong" and "Best CSR Company (Ports sector) Hong Kong" by International Business Magazine.
- During the 4th China (Dongjiang) Shipping Industry Week, COSCO SHIPPING Ports was honored with the "2023 Ports and Shipping Logistics Enterprise of the Year – Top 10 Port Leaders" award, and its subsidiaries, Tianjin Container Terminal and Guangzhou South China Oceangate Terminal were selected as the "2024 Top 30 Innovative Cases in Ports and Shipping Logistics Industry".

## 2024 APR

- COSCO SHIPPING Ports held the 2023 Annual Technological Innovation Conference and the First “Green Digital Intelligence” in Nantong, and the “COSCO SHIPPING Ports’ Green and Low-Carbon Transition, and Development Plan” was officially announced, which will accelerate the promotion of digital intelligence and green and low-carbon transformation.
- Awarded “Best Investor Relations Company in Ports Sector China 2024”, “Most Sustainable Company in Ports Sector China 2024” and “Best Shipping Ports Operator China 2024” by World Business Outlook magazine.


## 2024 MAY

- At the 8th Exposition on China Brand, the Company announced the “Pioneering Carbon Pathways, Greening the Future” ESG development concept for the first time, showcasing the Company’s innovations and brand image in the areas of globalization, digitisation, intelligence and low-carbon development.
- Awarded “Asia’s Best CEO”, “Asia’s Best CFO”, “Best Investor Relations Company”, “Best Investor Relations Professional” and “Sustainable Asia Award” by Corporate Governance Asia magazine

## 2024 JUN

- At CSP Abu Dhabi Terminal, after consecutive days of dedicated effort by the port and shipping workers, CSCL Atlantic Ocean successfully completed the loading and unloading of 13,000 TEU, which embarked a new record high of single-vessel operation volume for the terminal.

# Major Events

## 2024 JUL

- Piraeus Terminal was named "Greek Business Champion" at the "2024 Protagonists of the Greek Economy Awards", recognizing Piraeus Terminal's contribution to the Greek economy in terms of public revenues, support to domestic companies and job creation, which has helped the Port of Piraeus to become the leading cargo port in Europe and the Mediterranean region.
- CSP Abu Dhabi Terminal's cumulative throughput exceeded 5 million TEU, and to date the terminal has opened more than 20 international shipping routes connecting to more than 60 ports.


## 2024 AUG

- Awarded "Best Container Operator of the Year" and "Most Socially Responsible Port Operator" by Global Business Outlook Magazine.
- Awarded "Specialized Annual Reports Gold Award", "Online Annual Reports Bronze Award", "Hong Kong PRC Annual Reports Honors Award" and "Sustainability Reports Honors Award" by Astrid.

## 2024 SEP

- The 7th 5G Application Competition in Transportation and Logistics, organised by China Academy of Information and Communications Technology and China Mobile Communications Group Co., Ltd. was held in Wuhan. CSP Wuhan Terminal, as the first 5G+rail-water intermodal smart port project in China, stood out from many other cases and won the First Prize.

2024
## OCT

- Entered into share purchase agreement for acquisition of 12.5% and 30% equity interest in Thai Laemchabang Terminal Co., Ltd. ("TLT") and Hutchison Laemchabang Terminal Limited ("HLT") respectively.


2024
## NOV

- The Inauguration Ceremony of CSP Chancay Terminal was successfully held. After the opening of the port, the one way maritime transportation time between China and Peru will be reduced to 23 days, saving more than 20% of the logistics cost, and create more than 8,000 direct jobs for Peru.
- On 5-10 November, the 7th China International Import and Export Fair was held in Shanghai. COSCO SHIPPING Ports' presence this year was of a higher standard and more interactive, fully demonstrating its global terminal network and contributing to the development of the global ports and shipping industry.
- Awarded the "Best Corporate Governance and ESG Awards 2024 – Special Mention" by the Hong Kong Institute of Certified Public Accountants, and the "Excellence Award for H Share & Red Chip Entries – 2024 HKMA Best Annual Reports Awards" by The Hong Kong Management Association.
- CSP Abu Dhabi Terminal won the first ever Terminal Operator of the Year 2024 Award for the Middle East and Indian Subcontinent at The Maritime Standard Awards.

2024
## DEC

- Awarded "Most Innovative Port Operator" by International Finance Magazine.

# FINANCIAL HIGHLIGHTS

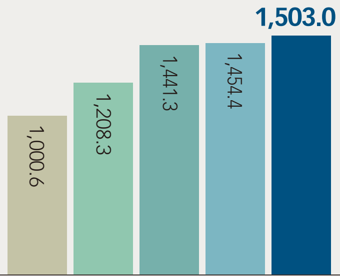
| | 2024<br>US$ | 2023<br>US$ | Change<br>% |
|---|---|---|---|
| Revenue | **1,502,989,000** | 1,454,353,000 | 3.3 |
| Operating profit (after finance income and finance costs) | **143,875,000** | 131,625,000 | 9.3 |
| Share of profit less losses of joint ventures and associates | **320,115,000** | 297,861,000 | 7.5 |
| Profit attributable to equity holders of the Company | **308,816,000** | 324,557,000 | -4.8 |
| | **US cents** | US cents | % |
| Basic earnings per share | **8.50** | 9.33 | -8.9 |
| Dividend per share | **3.400** | 3.732 | -8.9 |
| – First interim dividend | **1.560** | 1.744 | -10.6 |
| – Second interim dividend | **1.840** | 1.988 | -7.4 |
| Payout ratio | **40%** | 40% | Not applicable |
| | **US$** | US$ | % |
| Consolidated total assets | **12,021,386,000** | 11,931,881,000 | 0.8 |
| Consolidated total liabilities | **4,976,139,000** | 5,089,356,000 | -2.2 |
| Consolidated total equity | **7,045,247,000** | 6,842,525,000 | 3.0 |
| Capital and reserves attributable to the equity holders of the Company | **5,930,639,000** | 5,770,731,000 | 2.8 |
| Consolidated net debts | **2,085,248,000** | 2,026,592,000 | 2.9 |
| | **%** | % | ppt |
| Return on equity holders of the Company | **5.3** | 5.7 | -0.4 |
| Return on total assets | **2.6** | 2.8 | -0.2 |
| Net debt-to-total-equity ratio | **29.6** | 29.6 | 0.0 |
| Interest coverage (excluding finance charges relating to lease liabilities) | **5.0 times** | 4.2 times | Not applicable |
| Dividend yield | **5.7** | 5.2 | +0.5 |

## FIVE-YEAR FINANCIAL SUMMARY

2020 | 2021 Note | 2022 Note | 2023 | 2024

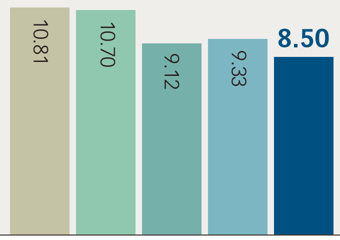
### REVENUE

US$
1,503.0
million



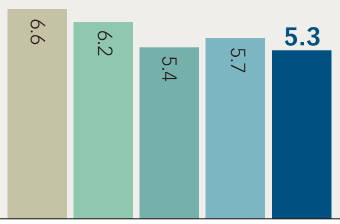

### EARNINGS PER SHARE

US
8.50
cents



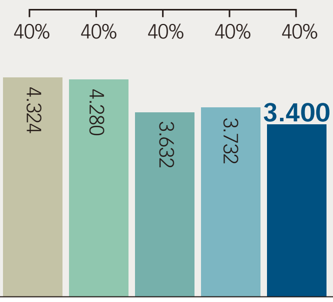

### RETURN ON EQUITY HOLDERS OF THE COMPANY

5.3%



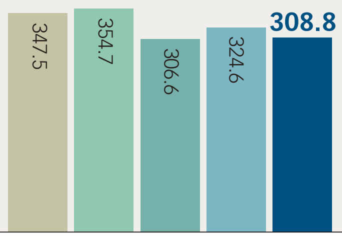

### DIVIDEND PER SHARE AND PAYOUT RATIO

US
3.400
cents



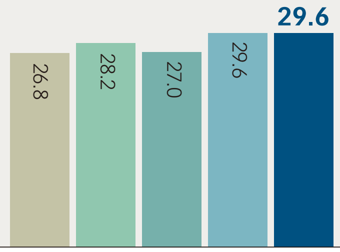

### NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

US$
308.8
million




### NET DEBT-TO-TOTAL-EQUITY RATIO

29.6%




Note: Financial data was adjusted according to the restated consolidated financial statements.

# 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*

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.

## 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.

## 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.

## 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.

## 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

# CORPORATE STRUCTURE

**CHINA COSCO SHIPPING CORPORATION LIMITED**

43.92%

**COSCO SHIPPING HOLDINGS CO., LTD.**
Stock Code:
1919 (H Share)
601919 (A Share)

71.55%

**COSCO SHIPPING PORTS LIMITED**
Stock Code: 1199

# The Ports for ALL

## China

Terminal Coverage **22 Ports**

Target No. of Container Berths **163**

Designed Annual Handling Capacity **93,842,400 TEU**

## Overseas

Terminal Coverage **17 Ports**

Target No. of Container Berths **85**

Designed Annual Handling Capacity **48,900,000 TEU**

### Bohai Rim

Percentage of total designed annual handling capacity **20.8%**

Target no. of container berths **64**

**29,750,000** TEU
Designed annual handling capacity

### Yangtze River Delta

Percentage of total designed annual handling capacity **10.6%**

Target no. of container berths **26**

**15,092,400** TEU
Designed annual handling capacity

### Southeast Coast and Others

Percentage of total designed annual handling capacity **6.3%**

Target no. of container berths **15**

**9,000,000** TEU
Designed annual handling capacity

### Pearl River Delta

Percentage of total designed annual handling capacity **17.9%**

Target no. of container berths **34**

**25,600,000** TEU
Designed annual handling capacity

### Southwest Coast


Percentage of total designed annual handling capacity **10.1%**

Target no. of container berths **24**

**14,400,000** TEU
Designed annual handling capacity

### Overseas


Percentage of total designed annual handling capacity **34.3%**

Target no. of container berths **85**

**48,900,000** TEU
Designed annual handling capacity

# Corporate Structure

## Terminal Portfolio (As of 31 December 2024)

| Terminal Company | Share holdings | Target number of berths | Designed annual handling capacity (TEU) | Depth (m) |
|---|---|---|---|---|
| **Bohai Rim** | | 64 | 29,750,000 | |
| | | 3 | 780,000 vehicles | |
| | | 65 | 236,020,000 tons | |
| QPI | 20.06% | 24 | 10,000,000 | N/A |
| | | 62 | 207,020,000 tons | N/A |
| Dalian Container Terminal | 19% | 18 | 9,500,000 | 17.8 |
| Dalian Dagang Terminal | 35% | 1 | 100,000 | 9.1 |
| Dalian Automobile Terminal | 24% | 3 | 780,000 vehicles | 11 |
| Tianjin Container Terminal | 42% | 13 | 6,000,000 | 12-17 |
| Yingkou Container Terminal | 50% | 2 | 1,200,000 | 14 |
| Yingkou New Century Terminal | 40% | 2 | 1,200,000 | 15.5 |
| Jinzhou New Age Terminal | 51% | 2 | 800,000 | 15.4 |
| Qinhuangdao New Harbour Terminal | 30% | 2 | 950,000 | 15.8 |
| Dongjiakou Ore Terminal | 25% | 3 | 29,000,000 tons | 20-25 |
| **Yangtze River Delta** | | 26 | 15,092,400 | |
| | | 7 | 13,570,000 tons | |
| Shanghai Pudong Terminal | 30% | 3 | 2,300,000 | 12 |
| Shanghai Mingdong Terminal | 20% | 7 | 5,600,000 | 12.8 |
| Ningbo Yuan Dong Terminal | 20% | 3 | 3,000,000 | 17.1 |
| Lianyungang New Oriental Terminal | 55% | 4 | 1,400,000 | 11.5-15 |
| Taicang Terminal | 39.04% | 2 | 550,000 | 12 |
| | | 2 | 4,000,000 tons | 12 |
| Nantong Tonghai Terminal | 51% | 3 | 1,470,000 | 9-11 |
| | | 1 | 5,370,000 tons | 6 |
| CSP Wuhan Terminal | 84.94% | 4 | 772,400 | 6.4 |
| | | 4 | 4,200,000 tons | 6.4 |
| **Southeast Coast and Others** | | 15 | 9,000,000 | |
| | | 5 | 9,200,000 tons | |
| Xiamen Ocean Gate Terminal | 100% | 4 | 2,600,000 | 15 |
| | | 1 | 4,000,000 tons | 6.6-13.6 |
| Quan Zhou Pacific Terminal | 82.35% | 5 | 3,000,000 | 11.6-15.1 |
| | | 2 | 1,000,000 tons | 5.1-9.6 |
| Jinjiang Pacific Terminal | 80% | 2 | 600,000 | 9.5-15.3 |
| | | 2 | 4,200,000 tons | 7.5-9.5 |
| Kao Ming Terminal | 20% | 4 | 2,800,000 | 16.5 |
| **Pearl River Delta** | | 34 | 25,600,000 | |
| Yantian Terminal Phases I & II | 14.59% | 9 | 5,700,000 | 17.6 |
| Yantian Terminal Phase III | 13.36% | 11 | 7,300,000 | 17.6 |
| Guangzhou Nansha Stevedoring Terminal | 40% | 4 | 5,000,000 | 14.5-15.5 |
| Guangzhou South China Oceangate Terminal | 39% | 6 | 4,200,000 | 15.5 |
| COSCO-HIT Terminal | 50% | 2 | 1,800,000 | 15.5 |
| Asia Container Terminal | 60% | 2 | 1,600,000 | 15.5 |

## Terminal Portfolio (As of 31 December 2024)

| Terminal Company | Share holdings | Target number of berths | Designed annual handling capacity (TEU) | Depth (m) |
|---|---|---|---|---|
| Southwest Coast | | 24<br>102 | 14,400,000<br>287,400,000 tons | |
| Beibu Gulf Port Note 1 | 9.86% | 18 | 10,800,000 | N/A |
| | | 100 | 268,400,000 tons | N/A |
| Beibu Gulf Terminal | 30.34% | 6 | 3,600,000 | 15.1 |
| Chisha Terminal | 20% | 2 | 19,000,000 tons | 25 |
| Overseas | | 85<br>2<br>2 | 48,900,000<br>6,000,000 tons<br>600,000 pallets | |
| Piraeus Terminal | 100% | 8 | 6,200,000 | 19.5 |
| CSP Zeebrugge Terminal | 90% | 3 | 1,300,000 | 17.5 |
| CSP Abu Dhabi Terminal | 40% | 3 | 2,500,000 | 18 |
| CSP Valencia Terminal | 51% | 6 | 4,100,000 | 16 |
| CSP Bilbao Terminal | 39.51% | 3 | 1,000,000 | 21 |
| CSP Chancay Terminal | 60% | 2 | 1,000,000 | 17.8 |
| | | 2 | 6,000,000 tons | 17.8 |
| Suez Canal Terminal | 20% | 8 | 5,000,000 | 17 |
| Kumport Terminal | 26% | 6 | 2,100,000 | 15-16.5 |
| Antwerp Terminal | 20% | 4 | 3,700,000 | 16 |
| COSCO-PSA Terminal | 49% | 5 | 4,850,000 | 18 |
| Busan Terminal | 4.23% | 8 | 4,000,000 | 15-16 |
| Seattle Terminal | 13.33% | 2 | 400,000 | 15.2 |
| Euromax Terminal | 14.28% | 5 | 3,200,000 | 17.65 |
| Red Sea Gateway Terminal | 20% | 11 | 5,200,000 | 18 |
| Vado Reefer Terminal | 40% | 2 | 250,000 | 14.5 |
| | | 2 | 600,000 pallets | 14.1 |
| Vado Container Terminal | 40% | 2 | 860,000 | 17.25 |
| CTT | 24.99% | 4 | 1,540,000 | 15.1 |
| Red Sea Containers Terminals | 25% | 3 | 1,700,000 | 18 |
| Total | | 434 | | |
| Target total number of container berths/ Designed annual handling capacity | | 248 | 142,742,400 | |
| Target total number of bulk berths/ Designed annual handling capacity | | 181 | 552,190,000 tons | |
| Target total number of automobile berths/Designed annual handling capacity | | 3 | 780,000 vehicles | |
| Target total number of reefer berths/ Designed annual handling capacity | | 2 | 600,000 pallets | |

Note:

1. The target number of berths and the designed annual handling capacity do not include Beibu Gulf Terminal.

# 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.

## OUTLOOK

### 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.

# OPERATIONAL REVIEW

## MARKET REVIEW

In 2024, despite facing challenges such as insufficient global economic growth momentum and intensified geopolitical conflicts, China's economy maintained overall stability. The steady development of new quality productive forces and advantages contributed to the consistent growth of China's foreign trade. According to statistics from the General Administration of Customs of China, the total value of China's imports and exports reached RMB43.85 trillion in 2024, representing a YoY increase of 5.0%. Specifically, exports amounted to RMB25.45 trillion, posting a YoY growth rate of 7.1%, while the amount of imports grew by 2.3% YoY to RMB18.39 trillion.

## OVERALL PERFORMANCE

COSCO SHIPPING Ports remains focused on its core operations in the ports sector, empowered by the dual driver strategy of "global expansion" and "lean operations", achieving steady improvements in operational quality and efficiency. In 2024, the Group's total throughput increased by 6.1% YoY to 144,032,722 TEU (2023: 135,808,554 TEU). Specifically, total throughput from terminals in which the Group has controlling stake increased by 6.2% YoY to 32,655,388 TEU (2023: 30,762,095 TEU), accounting for 22.7% of the Group's total, and the total throughput from non-controlling terminals increased by 6.0% YoY to 111,377,334 TEU (2023: 105,046,459 TEU), accounting for 77.3% of the Group's total.

During the year, the Group's total equity throughput increased by 4.5% YoY to 45,318,318 TEU (2023: 43,381,201 TEU). The equity throughput from terminals in which the Group has controlling stake increased by 5.0% YoY to 19,958,253 TEU (2023: 19,010,845 TEU), accounting for 44.0% of the Group's total, and the equity throughput from non-controlling terminals increased by 4.1% YoY to 25,360,065 TEU (2023: 24,370,356 TEU), accounting for 56.0% of the Group's total.

| | 2024 (TEU) | 2023 (TEU) | Change (%) |
|---|---|---|---|
| **Total Throughput** | **144,032,722** | **135,808,554** | **+6.1** |
| Throughput from terminals in which the Group has controlling stake | 32,655,388 | 30,762,095 | +6.2 |
| Throughput from the Group's non-controlling terminals | 111,377,334 | 105,046,459 | +6.0 |
| **Equity Throughput** | **45,318,318** | **43,381,201** | **+4.5** |
| Equity throughput from terminals in which the Group has controlling stake | 19,958,253 | 19,010,845 | +5.0 |
| Equity throughput from the Group's non-controlling terminals | 25,360,065 | 24,370,356 | +4.1 |

## CHINA

Total throughput of the terminals in China increased by 6.5% YoY to 109,808,199 TEU in 2024 (2023: 103,065,210 TEU) and accounted for 76.2% of the Group's total throughput. Total equity throughput of terminals in China increased by 5.2% YoY to 32,279,961 TEU (2023: 30,679,108 TEU), accounting for 71.2% of the Group's total equity throughput.

## Bohai Rim

Total throughput of the Bohai Rim region increased by 6.4% YoY to 49,550,213 TEU in 2024 (2023: 46,589,991 TEU) and accounted for 34.4% of the Group's total. Total equity throughput of the Bohai Rim region increased by 5.7% YoY to 13,282,472 TEU (2023: 12,571,882 TEU) and accounted for 29.3% of the Group's total equity throughput. Benefiting from the recovery in procurement demand in Europe and the United States, as well as the addition of new shipping routes, the total throughput of Dalian Container Terminal increased by 7.6% YoY to 5,277,625 TEU (2023: 4,906,861 TEU).

## Yangtze River Delta

Total throughput of the Yangtze River Delta region increased by 13.1% YoY to 16,484,202 TEU in 2024 (2023: 14,569,524 TEU) and accounted for 11.4% of the Group's total. Total equity throughput of the Yangtze River Delta region increased by 16.4% YoY to 4,766,173 TEU (2023: 4,093,259 TEU) and accounted for 10.5% of the Group's total equity throughput. Shanghai Mingdong Terminal saw an increase in the number of adhoc vessel operations, achieving a 15.7% YoY increase in total throughput to 7,002,772 TEU (2023: 6,054,308 TEU). Nantong Tonghai Terminal strengthened the synergy between port and shipping lines, and increases the services along the Yangtze River and inland waterways, leading to a 45.6% YoY increase in total throughput to 1,934,295 TEU (2023: 1,328,201 TEU). CSP Wuhan Terminal continued to leverage its strengths as a water-rail intermodal hub, achieving a 54.9% YoY increase in total throughput to 245,627 TEU (2023: 158,596 TEU).

### Southeast Coast and Others

Total throughput in the Southeast Coast and Others region increased by 0.9% YoY to 6,002,237 TEU in 2024 (2023: 5,951,456 TEU) and accounted for 4.2% of the Group's total throughput. Total equity throughput of Southeast Coast and Others region increased by 1.6% YoY to 4,311,464 TEU (2023: 4,242,346 TEU) and accounted for 9.5% of the Group's total equity throughput. Xiamen Ocean Gate Terminal experienced a 6.3% YoY decrease in total throughput to 2,574,593 TEU (2023: 2,748,313 TEU), primarily due to capacity shortages caused by liners service rerouting. Quan Zhou Container Terminal strengthened its collaborative efforts with the dual-brands, achieving a 13.9% YoY increase in total throughput to 1,493,330 TEU (2023: 1,311,018 TEU).

### Pearl River Delta

Total throughput of the Pearl River Delta region increased by 3.0% YoY to 28,756,347 TEU in 2024 (2023: 27,932,139 TEU) and accounted for 20.0% of the Group's total throughput. Total equity throughput of the Pearl River Delta region increased by 0.6% YoY to 7,945,689 TEU (2023: 7,896,402 TEU) and accounted for 17.5% of the Group's total equity throughput. Yantian Terminals expanded its service offerings by introducing new shipping routes and cargo types, while also enhancing its network of combined ports and inland ports. Additionally, the company strengthened its logistics extension services, driving a 7.1% YoY increase in total throughput to 15,038,500 TEU (2023: 14,045,087 TEU).

### Southwest Coast

Total throughput of the Southwest Coast region increased by 12.4% YoY to 9,015,200 TEU in 2024 (2023: 8,022,100 TEU), accounting for 6.2% of the Group's total throughput. Total equity throughput of the Southwest Coast region increased by 5.3% YoY to 1,974,163 TEU (2023: 1,875,219 TEU) and accounted for 4.4% of the Group's total equity throughput. The increase in total throughput and equity throughput was mainly due to two main factors. Firstly, the continued benefits from the RCEP have driven trade growth. Secondly, Beibu Gulf Port has accelerated the development of the Beibu Gulf International Gateway Port, continuously optimised its container route network, strengthened cargo sourcing efforts, and promoted the steady growth of port operations.

## OVERSEAS

Total throughput in overseas terminals increased by 4.5% YoY to 34,224,523 TEU in 2024 (2023: 32,743,344 TEU) and accounted for 23.8% of the Group's total. Total equity throughput of overseas terminals increased by 2.6% YoY to 13,038,357 TEU (2023: 12,702,093 TEU) and accounted for 28.8% of the Group's total equity throughput. Due to continuous influence of the Red Sea incident, the total throughput of Piraeus Terminal decreased by 7.8% YoY to 4,228,474 TEU (2023: 4,586,535 TEU). Meanwhile, CSP Spain Related Companies and CSP Zeebrugge Terminal intensified their commercial marketing efforts, attracting some of the shipping routes and volumes previously handled at Piraeus Terminal, the total throughput increased by 16.8% YoY to 3,669,929 TEU (2023: 3,143,154 TEU) and by 55.3% YoY to 671,989 TEU (2023: 432,843 TEU) respectively. CSP Abu Dhabi Terminal achieved new shipping services and expanded its feeder and mainline network, achieving a 36.3% YoY increase in total throughput to 1,844,898 TEU (2023: 1,353,215 TEU).

## PROSPECTS

In 2024, China's Gross Domestic Product (GDP) grew by 5.0% year-on-year, significantly higher than the global projected growth rate of around 3.0%. As the world's second-largest economy, China's contribution to global economic growth is expected to remain at approximately 30.0%, continuing to serve as the largest engine for global economic expansion. According to the latest World Economic Outlook report by the International Monetary Fund (IMF), the global economy is projected to stabilise and grow in 2025, with continued moderation in inflation, and global economic growth is expected to reach 3.3%. Over the past year, leveraging its globally connected terminal network, COSCO SHIPPING Ports has consistently capitalised on the synergistic advantages of its dual-brand strategy with its parent company and the OCEAN Alliance, achieving steady growth in total throughput and equity throughput.

Looking ahead to 2025, despite lingering uncertainties in the global economic recovery, China's resilient industrial chain, policy support, and breakthroughs in emerging sectors are expected to sustain stable growth in import and export volumes, with further optimization of trade structures. Exports of new energy vehicles, lithium batteries, and photovoltaic products will continue to be major growth drivers, while trade in of high-value-added products such as high-end equipment and biopharmaceuticals will accelerate, bringing new growth momentum to the port industry.

The Company will prioritise global resource deployment as its core development strategy, continuously enhancing the service efficiency of its existing global network. Aligned with the "integrated" development strategy of COSCO SHIPPING, the Company will accelerate investment in emerging, regional, and third-country markets. Focusing on regions and markets where dual-brands and OCEAN Alliance are expanding their capacity, the Company will invest in or acquire global resources across the industry chain to provide supply chain node support for COSCO SHIPPING Group's high-quality global channel development.

The Company will adopt lean operations as its core management strategy, driving high-quality development through diversified strategies. Under the new landscape of shipping alliances, the Company will consolidate competitive advantages by improving service levels and implementing precision marketing. The Company will enhance the service capabilities of key hub ports such as CSP Wuhan Terminal, Piraeus Terminal, and CSP Abu Dhabi Terminal, while continuing to develop CSP Chancay Terminal into South America's premier smart and green port. By leveraging technological innovation to enhance lean management, the Company aims to reduce costs, improve efficiency, and increase customer satisfaction.

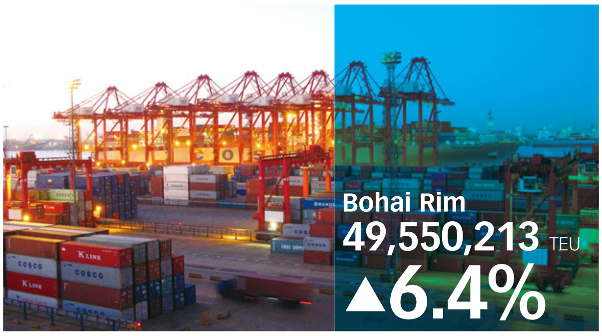
The Company will focus on the dual tracks of "digital intelligence" and "green and low-carbon", accelerating the development of new quality productive forces in the port industry. Driven by digital intelligence, it will promote the construction of smart ports and accelerate the development of a digital ecosystem connecting upstream and downstream sectors. The Company will strengthen the automation of terminal operations, deepen the integration of innovative applications such as artificial intelligence with terminal business scenarios, and expand from single terminal handling services to comprehensive logistics services. Emphasizing green and low-carbon initiatives, the Company will build green and low-carbon ports, expand the coverage and application of clean energy, and accelerate the transformation and upgrading of terminal energy structures. It will actively participate in the construction of green fuel supply chains, develop full-chain green and low-carbon products, establish industry benchmarks for green and low-carbon brands, and build new competitive advantages.

## China

Total Throughput
109,808,199 TEU
▲6.5%

## Overseas

Total Throughput
34,224,523 TEU
▲4.5%




| | | |
|---|---|---|
| QPI | 32,170,000 | +7.2 |
| Dalian Container Terminal | 5,277,625 | +7.6 |
| Dalian Dagang Terminal | 22,438 | –3.3 |
| Tianjin Container Terminal | 8,444,765 | +2.7 |
| Yingkou Terminals Note 1 | 2,330,335 | +4.5 |
| Jinzhou New Age Terminal | 765,736 | +19.6 |
| Qinhuangdao New Harbour Terminal | 539,314 | –1.1 |


| | | |
|---|---|---|
| Yantian Terminals Note 2 | 15,038,500 | +7.1 |
| Guangzhou Terminals Note 3 | 11,614,529 | +0.5 |
| Hong Kong Terminals Note 4 | 2,103,318 | -9.5 |


| | | |
|---|---|---|
| Beibu Gulf Port | 9,015,200 | +12.4 |

Note 1: Throughput of Yingkou Terminals was the total throughput of Yingkou Container Terminal and Yingkou New Century Terminal.

Note 2: Throughput of Yantian Terminals was the total throughput of Yantian Terminal Phases I & II and Yantian Terminal Phase III.

Note 3: Throughput of Guangzhou Terminals was the total throughput of Guangzhou South China Oceangate Terminal and Guangzhou Nansha Stevedoring Terminal.

Note 4: Throughput of Hong Kong Terminals was the total throughput of COSCO-HIT Terminal and Asia Container Terminal.


| | | |
|---|---|---|
| Shanghai Pudong Terminal | 2,650,079 | +1.5 |
| Shanghai Mingdong Terminal | 7,002,772 | +15.7 |
| Ningbo Yuan Dong Terminal | 3,261,550 | +3.8 |
| Lianyungang New Oriental Terminal | 1,131,265 | +12.2 |
| Taicang Terminal | 258,614 | -3.0 |
| Nantong Tonghai Terminal | 1,934,295 | +45.6 |
| CSP Wuhan Terminal | 245,627 | +54.9 |


| | | |
|---|---|---|
| Xiamen Ocean Gate Terminal | 2,574,593 | -6.3 |
| Quan Zhou Pacific Terminal | 1,493,330 | +13.9 |
| Jinjiang Pacific Terminal | 200,418 | -9.9 |
| Kao Ming Terminal | 1,733,896 | +3.8 |


| | | |
|---|---|---|
| Piraeus Terminal | 4,228,474 | –7.8 |
| CSP Zeebrugge Terminal | 671,989 | +55.3 |
| CSP Spain Related Companies | 3,669,929 | +16.8 |
| CSP Abu Dhabi Terminal | 1,844,898 | +36.3 |
| COSCO-PSA Terminal | 5,106,695 | –4.2 |
| Vado Reefer Terminal | 61,517 | +1.5 |
| Euromax Terminal | 2,306,954 | –7.1 |
| Kumport Terminal | 1,257,305 | –4.5 |
| Suez Canal Terminal | 3,941,529 | –1.0 |
| Red Sea Gateway Terminal | 3,035,574 | –4.6 |
| Antwerp Terminal | 2,274,074 | +13.5 |
| Seattle Terminal | 143,447 | –1.1 |
| Busan Terminal | 4,305,526 | +10.9 |
| Vado Container Terminal | 319,201 | +7.0 |
| CTT | 1,050,743 | +93.3 |
| CSP Chancay Terminal Note 5 | 6,668 | N/A |

Note 5: The terminal commenced operations on 14 November 2024 and its throughput was included since December 2024. Therefore, the figure of the terminal for the year ended 31 December 2024 was the throughput of the terminal in December 2024.

Note 6: Total throughput of bulk cargo, excluding throughput of Beibu Gulf Port, for the year ended 31 December 2024 was 442,457,077 tons (2023: 438,082,338 tons), representing an increase of 1.0%. Total throughput of automobile for the year ended 31 December 2024 was 656,943 vehicles (2023: 773,961 vehicles), representing a decrease of 15.1%. Throughput of reefer of Vado Reefer Terminal for the year ended 31 December 2024 was 329,423 pallets (2023: 375,963 pallets), representing a decrease of 12.4%.

# FINANCIAL REVIEW

During 2024, the global port industry faced various challenges, such as changes in market demand, fluctuations in cargo throughput and the Red Sea incident. However, the Group maintained stable operation and development of its core business despite multiple challenges, demonstrating its strong resilience. The Company reported a profit attributable to equity holders of the Company in 2024 of US$308,816,000 (2023: US$324,557,000), decreased by 4.8% YoY.

During 2024, profit from the terminals in which the Group has controlling stakes and non-controlling terminals amounted to US$424,426,000 (2023: US$431,601,000) in total, decreased by 1.7% YoY, and profit from terminals in which the Group has controlling stakes amounted to US$103,137,000 (2023: US$132,871,000), decreased by 22.4% YoY. Profit from terminals in which the Group has controlling stakes was mainly attributable to Xiamen Ocean Gate Terminal, Piraeus Terminal and Tianjin Container Terminal. Xiamen Ocean Gate Terminal recorded a profit of US$36,109,000 in 2024 (2023: US$40,408,000), decreased by US$4,299,000 YoY due to the decline in throughput. Impacted by the Red Sea incident, Piraeus Terminal experienced a drop in both throughput and revenue, recording a profit of US$29,002,000 (2023: US$47,165,000), decreased by US$18,163,000 YoY. Tianjin Container Terminal recorded a profit of US$17,220,000 in 2024 (2023: US$22,427,000), decreased by US$5,207,000 YoY, due to the change in business structure and higher labor costs compared to 2023. Apart from the above terminals in which the Group has controlling stakes with higher profit contribution, CSP Spain Related Companies recorded a YoY increase in profit contribution of US$7,156,000 during the year due to the increase in throughput, rate adjustments and higher storage income. CSP Abu Dhabi Terminal recorded an increase of 36.3% YoY in throughput, and increased US$2,845,000 in profit contribution YoY due to business expansion. On the other hand, CSP Wuhan Terminal transferred its construction in progress into fixed assets in the fourth quarter of 2023, leading to expanded terminal operation scale. Due to the high proportion of fixed costs in the early stages of terminal operations, it recorded a loss of US$9,881,000 in 2024 (2023: US$5,162,000), with an increase of US$4,719,000 in loss YoY.

In respect of non-controlling terminals, the profit recorded during 2024 was US$321,289,000 (2023: US$298,730,000), increased by 7.6% YoY. In particular, the share of profit of Success Enterprises Limited and Wattrus Limited and their subsidiaries (collectively "Yantian Terminals Related Companies") which held Yantian Terminals, as well as Antwerp Terminal and Dalian Container Terminal, increased by US$10,353,000, US$3,391,000 and US$2,350,000 YoY, respectively.

## FINANCIAL ANALYSIS

### Revenues

In 2024, throughput of terminals in which the Group has controlling stakes increased by 6.2% YoY, and revenues of the Group amounted to US$1,502,989,000 (2023: US$1,454,353,000), increased by 3.3% YoY. CSP Spain Related Companies recorded a revenue of US$337,852,000 (2023: US$286,612,000) due to the YoY increase in throughput, increased by 17.9% YoY. On the other hand, Piraeus Terminal recorded a revenue of US$306,603,000 (2023: US$333,443,000) due to the YoY decrease in throughput and revenue as affected by the Red Sea incident, decreased by 8.0% YoY. Xiamen Ocean Gate Terminal recorded a revenue of US$121,588,000 (2023: US$132,259,000) due to a YoY decrease in throughput of 6.3%, decreased by 8.1% YoY. In addition, owing to satisfactory business expansion, CSP Abu Dhabi Terminal recorded a revenue of US$79,091,000 (2023: US$66,428,000), increased by 19.1% YoY. Nantong Tonghai Terminal recorded a revenue of US$36,076,000 (2023: US$28,100,000), increased by 28.4% YoY. CSP Wuhan Terminal recorded a revenue of US$7,112,000 (2023: US$2,408,000), increased by 195.3% YoY.

## Cost of Sales

Cost of sales mainly comprised operating expenses of terminals in which the Group has controlling stakes. Cost of sales was US$1,086,164,000 (2023: US$1,033,491,000) in 2024, increased by 5.1% YoY. Amongst which, CSP Spain Related Companies recorded a cost of US$274,910,000 (2023: US$243,647,000), increased by 12.8% YoY. Due to the decrease in throughput and the decrease in concession fees driven by the decrease in revenue, Piraeus Terminal recorded a cost of US$245,282,000 (2023: US$249,039,000), decreased by 1.5% YoY; due to the year-on-year decrease in throughput by 6.3% YoY, Xiamen Ocean Gate Terminal recorded a cost of US$69,605,000 (2023: US$76,432,000), decreased by 8.9% YoY. In addition, due to the expansion of its business, CSP Abu Dhabi Terminal recorded a cost of US$55,241,000 (2023: US$48,832,000), increased by 13.1% YoY; Nantong Tonghai Terminal recorded a cost of US$27,905,000 (2023: US$25,610,000), increased by 9.0% YoY; CSP Wuhan Terminal recorded a cost of US$14,952,000 (2023: US$5,561,000), increased by 168.9% YoY.

## Administrative Expenses

Administrative expenses were US$168,776,000 (2023: US$164,596,000) in 2024, slightly increased by 2.5% YoY.

## Other Operating Income, Net

Net other operating income was US$19,074,000 (2023: US$18,550,000) in 2024, and net income increased by 2.8% YoY.

## Finance Costs

The Group's finance costs amounted to US$152,451,000 (2023: US$171,189,000) in 2024, decreased by 10.9% YoY. The average balance of bank loans for the year amounted to US$3,101,786,000 (2023: US$2,984,791,000), increased by 3.9% YoY. The decrease in finance costs was mainly due to the significant effect of various measures taken by the Group during the year, including the replacement of existing loans, the optimization of debt structure, and the repayment of parts of high-interest loans with self-owned funds. Taking into account the capitalised interest, the average cost of bank borrowings (including the amortization of transaction costs over bank loans and notes) was 5.21% in 2024 (2023: 5.30%).

## Share of Profits Less Losses of Joint Ventures and Associates

The Group's share of profits less losses of joint ventures and associates for 2024 totalled US$320,115,000 (2023: US$297,861,000), increased by 7.5% YoY. Of which, the share of profit of Yantian Terminals Related Companies for 2024 amounted to US$60,846,000 (2023: US$50,493,000), increased by 20.5% YoY; the share of profit of Dalian Container Terminal amounted to US$8,004,000 (2023: US$5,654,000), increased by 41.6% YoY, and the share of profit of Antwerp Terminal amounted to US$3,798,000 (2023: US$407,000), increased by US$3,391,000 YoY.

## Taxation

Taxation for the year amounted to US$73,057,000 (2023: US$35,206,000), increased by US$37,851,000 YoY. It was mainly attributable to the reversal of tax provisions made in previous years in 2023, totalling US$20,051,000 and the adjustment of tax policies applicable to certain terminals, resulting in a YoY increase in taxation for 2024.

## FINANCIAL POSITION

### Cash flow

In 2024, the Group continued to receive steady cash flow income. The Group's net cash generated from operating activities amounted to US$408,578,000 (2023: US$482,447,000) during the year. In 2024, the Group borrowed bank loans of US$1,158,880,000 (2023: US$1,376,793,000) and repaid loans of US$1,233,415,000 (2023: US$1,078,098,000). During the year, US$435,086,000 (2023: US$346,466,000) was paid in cash by the Group for the expansion of berths and the purchase of property, plant and equipment. In addition, the Group has paid a total of approximately US$95,801,000 in cash for equity interest investments.

### Financing and credit facilities

As at 31 December 2024, the Group's total outstanding borrowings amounted to US$3,114,481,000 (31 December 2023: US$3,234,631,000) and cash balance amounted to US$1,029,233,000 (31 December 2023: US$1,208,039,000). Banking facilities unutilised amounted to US$696,217,000 (31 December 2023: US$1,043,341,000).

### Assets and liabilities

As at 31 December 2024, the Group's total assets and total liabilities were US$12,021,386,000 (31 December 2023: US$11,931,881,000) and US$4,976,139,000 (31 December 2023: US$5,089,356,000), respectively. Net assets were US$7,045,247,000 (31 December 2023: US$6,842,525,000). As at 31 December 2024, net asset value attributable to equity holders per share of the Company was US$1.58 (31 December 2023: US$1.62).

As at 31 December 2024, the net debt-to-total-equity ratio was 29.6% (31 December 2023: 29.6%). The interest coverage was 5.0 times (2023: 4.2 times), excluding finance charges relating to lease liabilities.

As at 31 December 2024, certain assets of the Group with an aggregate net book value of US$1,216,090,000 (31 December 2023: US$803,286,000), and interest in subsidiaries, were pledged to secure bank loans, totalling US$1,103,288,000 (31 December 2023: US$1,078,453,000).

## Debt analysis

| | As at 31 December 2024 US$ | (%) | As at 31 December 2023 US$ | (%) |
|---|---|---|---|---|
| **By repayment term** | | | | |
| Within the first year | 276,719,000 | 8.9 | 959,038,000 | 29.7 |
| Within the second year | 605,730,000 | 19.5 | 233,474,000 | 7.2 |
| Within the third year | 496,416,000 | 15.9 | 254,936,000 | 7.9 |
| Within the fourth year | 359,265,000 | 11.5 | 427,764,000 | 13.2 |
| Within the fifth year and after | 1,376,351,000 | 44.2 | 1,359,419,000 | 42.0 |
| | 3,114,481,000* | 100.0 | 3,234,631,000* | 100.0 |
| **By category** | | | | |
| Secured borrowings | 1,103,288,000 | 35.4 | 1,078,453,000 | 33.3 |
| Unsecured borrowings | 2,011,193,000 | 64.6 | 2,156,178,000 | 66.7 |
| | 3,114,481,000* | 100.0 | 3,234,631,000* | 100.0 |
| **By denominated currency** | | | | |
| US dollar borrowings | 1,536,836,000 | 49.3 | 1,776,704,000 | 54.9 |
| RMB borrowings | 985,035,000 | 31.6 | 738,352,000 | 22.8 |
| Euro borrowings | 502,051,000 | 16.2 | 619,325,000 | 19.2 |
| HK dollar borrowings | 90,559,000 | 2.9 | 100,250,000 | 3.1 |
| | 3,114,481,000* | 100.0 | 3,234,631,000* | 100.0 |

* Net of unamortised transaction costs on borrowings.

## Financial guarantee contracts

As at 31 December 2024 and 31 December 2023, the Company did not have any guarantee contract.

## Treasury policy

The Group manages its foreign exchange risk by matching the currencies of its loans with the Group's functional currency of major cash receipts and underlying assets as much as possible. The functional currency of the Group's terminals business is mainly either Euro or Renminbi, the same currency of its borrowings, revenues and expenses, so as to provide a natural hedge against the foreign exchange volatility.

As at 31 December 2024, 4.7% (31 December 2023: 6.9%) of the Group's borrowings were at fixed rates. In light of market conditions, the Group will continue to monitor and regulate its fixed and floating-rate debt portfolio, with a view to minimising its potential interest rate exposure.

# CORPORATE SUSTAINABLE DEVELOPMENT

## SUSTAINABILITY APPROACH

| Sustainable Development Goals of the United Nations | The Company's Five Key Areas of Sustainable Development |
|---|---|
| 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS | **Governance**<br>Adhere to the principles of business ethics and operational compliance, maintain high standards of corporate governance and business integrity, and build mutual trust with stakeholders to achieve a win-win situation. |
| 7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 17 PARTNERSHIPS FOR THE GOALS | **Resilience**<br>Invest in building "green ports" to reduce carbon emissions in business operations and along the value chain to achieve carbon neutrality and strengthen climate resilience; select and manage suppliers and partners based on sustainability criteria to enhance corporate resilience. |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 17 PARTNERSHIPS FOR THE GOALS | **Agility**<br>Drive continuous improvement in the overall operational efficiency and provide customers with high-quality services by leveraging unique insights to implement digital and intelligent innovation, and promote the construction of smart ports. |
| 14 LIFE BELOW WATER; 17 PARTNERSHIPS FOR THE GOALS | **Nature**<br>Conserve and utilise natural resources responsibly and effectively, and mitigate the impacts on biodiversity. |
| 3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 17 PARTNERSHIPS FOR THE GOALS | **Dynamic**<br>Provide a safe, healthy, diverse and inclusive working environment, create a sustainable talent pipeline, and promote the development of local communities where we operate, thus creating shared value for all stakeholders. |

## 2024 ESG PERFORMANCE HIGHLIGHTS

### Major ESG Indices and Ratings

| CERTIFICATE OF MEMBERSHIP – FTSE4Good | Hang Seng Corporate Sustainability Index Series Member 2024-2025 | SUSTAINALYTICS a Morningstar company RATED | 商道融绿 SynTao Green Finance ESG评级 2024 Q4 A- |
|---|---|---|---|
| Remained a constituent of the FTSE4Good Index Series | Rated as A+ and remained a constituent of Hang Seng Corporate Sustainability Benchmark Index | Rated as "Low Risk" | Rate as A– |

## ENVIRONMENTAL TARGETS[1]

The Company is actively advancing the digitalisation and green low-carbon transformation of the ports, achieving remarkable progress in carbon reduction and surpassing its originally planned mid-term goals ahead of schedule. During the year, the Company has revised more ambitious emission-reduction and energy-saving targets as follow:

### Scope 1 and 2 Greenhouse Gas (GHG) Emissions

**Long-term Target:**

- To achieve carbon neutrality no later than 2050

**Medium-term Target:**

- To reduce Scope 1 and 2 GHG emission intensity by 55% in 2035 against baseline year 2020

**2024 Progress:**

- Scope 1 and 2 GHG emission intensity decreased 35.3% against 2020

### Energy Consumption

**Medium-term Target:**

- To reduce energy consumption intensity by 45% in 2035 against baseline year 2020

**2024 Progress:**

- Energy consumption intensity decreased 29.5% against 2020

### Water Consumption

**Target:**

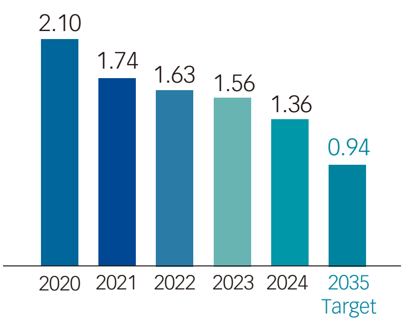
- To enhance the management of water resources and improve water use efficiency

**2024 Progress:**

- Water consumption intensity decreased 21.9% against 2020

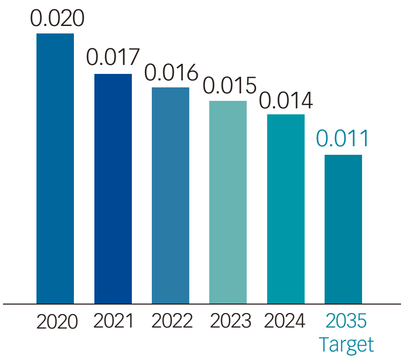
#### GHG EMISSION INTENSITY

($tCO_2e$ per US$10,000 of revenue)



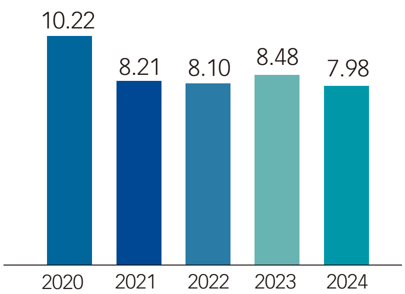

#### ENERGY CONSUMPTION INTENSITY

(TJ per US$10,000 of revenue)




#### WATER CONSUMPTION INTENSITY

($m^3$ per US$10,000 of revenue)




### 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 landfill disposal

**Hazardous Waste Treatment at Subsidiary Terminals in 2024:**

- 100% of hazardous waste was processed by certified recyclers for hazard-free disposal

[1] CSP Chancay Terminal and Xiamen Haicang Supply Chain, which commenced operations in November 2024, are not included.

In 2024, the Company continued to focus on its sustainability approach GRAND, i.e., Governance, Resilience, Agility, Nature and Dynamic, to enhance its energy saving and emissions reduction strategies and to accelerate progress toward achieving carbon neutrality and a just socioeconomic transition. The Company is steadily advancing its efforts to build digital, intelligent, green, and low-carbon ports while actively fostering the development of a green shipping industrial chain. The goal is to create shared value for all stakeholders and to jointly drive the sustainable development of the industry.

## GOVERNANCE

The Company adheres to international ESG governance principles while maintaining high standards of corporate governance and business integrity. The Company upholds the principles of business ethics and compliant operations, driving sustainable development through professional and transparent management practices. During the year, the Company revised and clarified the terms of reference for the ESG Committee to include climate change-related issues and provided training for Board members on the latest developments and trends in climate-related policies. The Company places great emphasis on data assets, information security and privacy protection. Within the year, the Company established a Cybersecurity Committee and a Data Management Committee to guide and standardise its cybersecurity management, enhancing overall protection capabilities and standards while promoting the standardisation, normalization and security of data, accelerating data governance to realise the value of data assets and improve the digital management capabilities of the Group.

## RESILIENCE

During the year, the Company completed a qualitative climate scenarios analysis of physical and transition risks and opportunities, as well as a scope 3 carbon emissions inventory check. The management of identified climate-related risks and opportunities aims to further enhance climate resilience and adaptability. The Company continued to reduce carbon emissions from its business operations through measures such as electrifying terminal equipment previously powered by diesel, promoting driverless electric container vehicles, and increasing the use of renewable energy. Within the year, the largest building-integrated photovoltaic (BIPV) project among mainland Chinese ports was connected to the grid and commenced operation at Guangzhou South China Oceangate Terminal; Lianyungang New Oriental Terminal was selected as one of the national near-zero carbon terminal pilot; Tianjin Container Terminal began operating hydrogen-powered trucks; and the world's largest pure electric container ship completed its charging and battery swap operations at Nantong Tonghai Terminal. These efforts not only demonstrate the Group's commitment to environmental protection but also solidify its leading position in advancing green ports and sustainable development. In terms of sustainable supply chain management, the Company adheres to the core principle of sustainable procurement, implements a rigorous supplier screening process, and gradually strengthens its ESG requirements to ensure the long-term sustainability of the supply chain.

## AGILITY

Adhering to the core value of customers first, the Company leverages exceptional insights and the power of technological innovation, fully utilises the support and effectiveness of digital intelligence technology to actively promote the construction of green smart ports. The Company has successfully launched the world's first "CSP Port Digital Twin Integrated Energy Management Platform", achieving in-depth integration of "energy management" and "digital twin technology" and effectively implementing the green and low-carbon development strategy. During the year, the CSP Chancay Terminal successfully commenced operations as the first fully automated port in South America, setting a new benchmark for smart ports driven by green and low-carbon technologies. Additionally, a total of 675,000 TEU was handled by driverless container vehicles throughout the year. During the year, container vehicles powered by new and clean energy surpassed 50% in the subsidiaries in China.

## NATURE

The Company is committed to conserving natural resources and striving to minimise the consumption of water and raw materials during its operations. The Company actively promotes the recycling of wastewater and waste and participates in ecological and environmental protection projects. During the year, employees from the Hong Kong headquarter participated in a coral exploration activity organised by the World Wide Fund for Nature (WWF), raising awareness among employees regarding the importance of biodiversity conservation and contributing to the support of coral restoration projects to help restore marine ecosystems. In addition, prior to the official opening of CSP Chancay Terminal, the Group took the initiative to protect the adjacent wetland, ensuring that development and conservation go hand in hand to achieve sustainable development.

## DYNAMIC

The Company adheres to a diverse and inclusive corporate development philosophy, and is committed to working hand in hand with all employees and stakeholders. The Group is firmly committed to the health and safety goal of "zero fatality", providing comprehensive and diverse training and development opportunities aimed at creating a safe, healthy, and harmonious work environment. At the same time, the Company builds a sustainable talent pipeline and actively promotes a just transition within the port industry. Furthermore, the Company continues to dedicate itself to the development of the communities where it operates, focusing on areas such as poverty alleviation and support for vulnerable groups, education and youth development, and environmental protection, with the aim of creating shared value for stakeholders and achieving harmonious coexistence between society and the corporate sector.

# INVESTOR RELATIONS

COSCO SHIPPING Ports places significant emphasis on investor relations management, effectively safeguarding shareholder rights, bolstering market confidence, and facilitating the company's high-quality development through steadfast investor management practices. The Company consistently enhances information disclosure and investor communication, adopting stringent and transparent disclosure standards to promptly and accurately disseminate company information, thereby deepening investors' understanding and recognition of the company, and elevating corporate governance standards and overall enterprise value.

Adhering to the principle of fair disclosure, the Company fulfills its information disclosure obligations in accordance with the law. It proactively engages in investor relations activities, treating all investors equally. In 2024, the Company utilised a combination of online and in-person formats, including results announcements, roadshows, reverse roadshows, investor presentations, investor meetings, conference calls, official websites, and email communications, to interact and communicate with domestic and international investors and analysts.

## DIVERSIFIED INVESTOR COMMUNICATION, BUILDING TWO-WAY COMMUNICATION BRIDGES

In 2024, through various means such as general meetings, investor briefings, analyst meetings, roadshows, and reverse roadshows, the Company introduced its business updates, financial performance, future development directions, and efforts and achievements in ESG to investors and analysts, showcasing the Company's long-term development advantages and core competitiveness. It also addressed market inquiries and gathered feedback for management's consideration, enhancing the Company's image and brand recognition, and strengthening market confidence in the company.

The Company actively participated in investor summits hosted by the COSCO SHIPPING Group and investment banks, and initiated reverse roadshow activities, inviting investors and analysts to visit Xiamen Ocean Gate Terminal, comprehensively displaying the Company's development achievements in technological innovation, green intelligence, and supply chain industry upgrades. Throughout the year, it communicated with 274 institutions and 348 investors and analysts from Mainland China, Hong Kong, Singapore, the UK, and other regions, striving to maintain relationships with existing shareholders while actively engaging potential investors to diversify the shareholder base.

## ENHANCING INFORMATION DISCLOSURE QUALITY, SHAPING A POSITIVE CAPITAL MARKET IMAGE

The Company implements a rigorous information disclosure system to improve the timeliness, fairness, authenticity, accuracy, and completeness of the Company's information disclosure. The Company proactively and promptly discloses information that significantly impacts the decisions of shareholders and other stakeholders, including monthly terminal throughput data, quarterly results, and acquisition progress, enhancing corporate transparency while providing investors with crucial decision-making information.

The Company attaches great importance to the preparation of periodic reports, striving for excellence in the reporting process to fully and accurately disclose the Company's production and operations, financial status, investment development, and corporate governance during the reporting period. It also proactively releases sustainability reports, disclosing Scope 3 GHG emissions and focusing on optimizing content related to climate resilience, health and safety, and biodiversity, thereby improving the quality of information disclosure.

## ESTABLISHING EFFECTIVE COMMUNICATION MECHANISMS, STABILIZING LONG-TERM MARKET CONFIDENCE

The Company continues to expand the breadth and depth of its communication with investors, deeply understanding investor needs to enhance communication effectiveness and secure long-term market support. The Company closely monitors capital market sentiments and dynamics, promptly feeding back to the board and management. It has established a major issues communication mechanism with investors, ensuring full communication and consultation with investors through various means when formulating significant plans involving shareholder rights.

The Company continuously conducts public sentiment monitoring, daily tracking of news media and internet information related to the company, ensuring the detection of sensitive issues and the investigation of major incidents. In the event of sensitive public sentiment, it rapidly assesses and initiates public sentiment management to ensure smooth communication channels, responding to investors and media inquiries to prevent misinformation from misleading investors.

## AWARDS

In 2024, COSCO SHIPPING Ports garnered widespread recognition from various sectors of society and the capital markets for its exceptional terminal operation management and robust corporate governance model, receiving a total of 20 awards from different institutions throughout the year.

The Company consistently provided timely updates on corporate development and maintained high transparency, with its efforts in investor communication and terminal operations being highly commended. In March 2024, the Company was awarded "Best Shipping Port Operator Hong Kong", "Best Investor Relations Company (Ports sector) Hong Kong", "Most Sustainable Company (Ports sector) Hong Kong" and "Best CSR Company (Ports sector) Hong Kong" from International Business Magazine. In May, the Company was awarded "Asia's Best CEO", "Asia's Best CFO", "Best Investor Relations Company", "Best Investor Relations Professional" and "Sustainable Asia Award" from Corporate Governance Asia magazine. In December, the Company was awarded "Most Innovative Port Operator" from International Finance Magazine.

The Company actively fosters leading-edge thinking in ESG practices, integrating ESG principles comprehensively into its management and operations, thereby becoming a driver of sustainable development in the industry. In recent years, the company has achieved remarkable success in corporate governance, environmental responsibility, and social responsibility. In April 2024, the Company was awarded "Best Investor Relations Company in Ports Sector China 2024", "Most Sustainable Company in Ports Sector China 2024" and "Best Shipping Ports Operator China 2024" from World Business Outlook. In August, the Company was consecutively awarded the "Best Container Operator of the Year" and "Most Socially Responsible Port Operator" from Global Business Outlook Magazine for the fourth year. In November, the Company was also awarded "Best Corporate Governance and ESG Awards 2024 – Special Mention" from HKICPA.

Through innovative and creative designs of its periodic reports and sustainability reports, the Company promotes and showcases its positive market image. In August 2024, the Company was awarded "Specialized Annual Reports Gold Award", "Online Annual Reports Bronze Award", "Hong Kong PRC Annual Reports Honors Award" and "Sustainability Reports Honors Award" from 2024 Astrid Awards. In November, the Company was awarded "Excellence Award for H Share & Red Chip Entries – 2024 HKMA Best Annual Reports Awards" from The Hong Kong Management Association.

Looking ahead, the Company will actively develop our business to deliver returns to our shareholders, while continuing to strengthen our investor relations management and corporate governance practices. With a commitment to excellence, we will drive the Company's development towards "Specialization, Collaboration, and Internationalization."

## INVESTOR RELATIONS EVENTS

| 2024 | Roadshows and Investor Meetings |
|---|---|
| January | 2024 Goldman Sachs "Greater China Consumer & Leisure Corporate Day" |
| | Morgan Stanley "China Cyclicals Corporate Day 2024" |
| March | 2023 Annual Results Announcement Investor Presentation |
| April | 2023 Post Annual Results Roadshow |
| | HSBC "Global Investment Summit" |
| | 2024 First Quarter Post-results Conference Call |
| May | 2024 First Quarter Post-results Roadshow |
| | 1st "COSCO SHIPPING Group Capital Market Day" |
| July | Industrial Securities Investors Conference Call |
| August | 2024 Interim Results Announcement Investor Presentation |
| September | 2024 Post Interim Results Roadshow |
| | "Green Smart Shipping Hub, Technology Leading Efficiency Creation and Cost Reduction" Reverse Roadshow in Xiamen |
| October | 2024 Third Quarter Post-results Conference Call |
| November | BofA "2024 China Conference" |
| | Daiwa "Investment Conference Hong Kong 2024" |
| | HSBC "18th Annual Transport & Logistics Conference" |

## MARKET CAPITALISATION

| As at 31 December | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Closing Price (HK$) | 5.39 | 6.77 | 6.20 | 5.64 | 4.60 |
| Market Capitalisation (in HK$ million) | 17,869 | 22,445 | 21,332 | 20,099 | 17,302 |

## SHARE PRICE PERFORMANCE

| (HK$) | 2023 | 2024 |
|---|---|---|
| Highest | 6.53 | 6.04 |
| Lowest | 4.33 | 4.05 |
| Average | 5.14 | 4.81 |
| Closing price on 31 December | 5.64 | 4.60 |
| Daily average trading volume (shares) | 3,867,789 | 6,117,686 |
| Daily average trading value (in HK$ million) | 20.19 | 30.32 |
| Total number of shares issued (shares) | 3,563,579,085 | 3,761,381,850 |
| Market Capitalisation on 31 December (in HK$ million) | 20,099 | 17,302 |

## ANALYST COVERAGE

| Company Name | Analyst | E-mail |
|---|---|---|
| China International Capital Corporation Limited | Xin YANG | xin.yang@cicc.com.cn |
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| Goldman Sachs (Asia) L.L.C | Herbert LU | Herbert.Lu@gs.com |
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| Citi Research | Kaseedit CHOONNAWAT | kaseedit.choonnawat@citi.com |

# ABBREVIATIONS

| Company Name | Abbreviation |
| --- | --- |
| Antwerp Gateway NV | Antwerp Terminal |
| Asia Container Terminals Limited | Asia Container Terminal |
| Beibu Gulf Port Co., Ltd. | Beibu Gulf Port |
| Busan Port Terminal Co., Ltd. | Busan Terminal |
| China COSCO SHIPPING Corporation Limited | COSCO SHIPPING |
| China COSCO SHIPPING Corporation Limited and its subsidiaries | COSCO SHIPPING Group |
| Conte-Rail, S.A. | Conte-Rail Terminal |
| COSCO-HIT Terminals (Hong Kong) Limited | COSCO-HIT Terminal |
| COSCO-PSA Terminal Private Limited | COSCO-PSA Terminal |
| COSCO SHIPPING Holdings Co., Ltd. | COSCO SHIPPING Holdings |
| COSCO SHIPPING Lines Co., Ltd. | COSCO SHIPPING Lines |
| COSCO SHIPPING Ports Chancay PERU S.A. | CSP Chancay Terminal |
| COSCO SHIPPING Ports Limited | COSCO SHIPPING Ports or the Company |
| COSCO SHIPPING Ports Limited and its subsidiaries | the Group |
| COSCO SHIPPING Ports (Spain) Holding, S.L. and its subsidiaries | CSP Spain Related Companies |
| CSP Abu Dhabi Terminal L.L.C. | CSP Abu Dhabi Terminal |
| CSP Abu Dhabi CFS Ltd | CSP Abu Dhabi CFS |
| CSP Iberian Bilbao Terminal, S.L. | CSP Bilbao Terminal |
| CSP Iberian Rail Services, S.L.U. | CSP Rail Services Terminal |
| CSP Iberian Valencia Terminal, S.A.U. | CSP Valencia Terminal |
| CSP Iberian Zaragoza Rail Terminal, S.L. | CSP Zaragoza Rail Terminal |
| CSP Supply Chain (Xiamen) Development Co., Ltd. | Xiamen Haitou Supply Chain |
| CSP Zeebrugge CFS NV | CSP Zeebrugge CFS |
| CSP Zeebrugge Terminal NV | CSP Zeebrugge Terminal |
| Dalian Automobile Terminal Co., Ltd. | Dalian Automobile Terminal |
| Dalian Container Terminal Co., Ltd. | Dalian Container Terminal |
| Dalian Dagang China Shipping Container Terminal Co., Ltd. | Dalian Dagang Terminal |
| Euromax Terminal Rotterdam B.V. | Euromax Terminal |
| Fangchenggang Chisha Terminal Co., Ltd. | Chisha Terminal |
| Guangxi Beibu Gulf International Container Terminal Co., Ltd. | Beibu Gulf Terminal |
| Guangzhou South China Oceangate Container Terminal Company Limited | Guangzhou South China Oceangate Terminal |
| HHLA Container Terminal Tollerort GmbH | CTT |

# Abbreviations

| Company Name | Abbreviation |
| --- | --- |
| Jinjiang Pacific Ports Development Co., Ltd. | Jinjiang Pacific Terminal |
| Jinzhou New Age Container Terminal Co., Ltd. | Jinzhou New Age Terminal |
| Kao Ming Container Terminal Corp. | Kao Ming Terminal |
| Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret A.Ş. | Kumport Terminal |
| Lianyungang New Oriental International Terminals Co., Ltd. | Lianyungang New Oriental Terminal |
| Nansha Stevedoring Corporation Limited of Port of Guangzhou | Guangzhou Nansha Stevedoring Terminal |
| Nantong Tonghai Port Co., Ltd. | Nantong Tonghai Terminal |
| Ningbo Yuan Dong Terminals Limited | Ningbo Yuan Dong Terminal |
| Piraeus Container Terminal Single Member S.A. | Piraeus Terminal |
| Qingdao Port Dongjiakou Ore Terminal Co., Ltd. | Dongjiakou Ore Terminal |
| Qingdao Port International Co., Ltd. | QPI |
| Qinhuangdao Port New Harbour Container Terminal Co., Ltd. | Qinhuangdao New Harbour Terminal |
| Quan Zhou Pacific Container Terminal Co., Ltd. | Quan Zhou Pacific Terminal |
| Red Sea Containers Terminals Company S.A.E. | Red Sea Containers Terminals |
| Red Sea Gateway Terminal Company Limited | Red Sea Gateway Terminal |
| Reefer Terminal S.p.A. | Vado Reefer Terminal |
| Shanghai Mingdong Container Terminals Limited | Shanghai Mingdong Terminal |
| Shanghai Pudong International Container Terminals Limited | Shanghai Pudong Terminal |
| SSA Terminals (Seattle), LLC | Seattle Terminal |
| Suez Canal Container Terminal S.A.E. | Suez Canal Terminal |
| Taicang International Container Terminal Co., Ltd. | Taicang Terminal |
| Tianjin Port Container Terminal Co., Ltd. | Tianjin Container Terminal |
| Vado Gateway S.p.A. | Vado Container Terminal |
| Wuhan CSP Terminal Co., Ltd. | CSP Wuhan Terminal |
| Xiamen CSP Supply Chain Co., Ltd. | Xiamen Haicang Supply Chain |
| Xiamen Ocean Gate Container Terminal Co., Ltd. | Xiamen Ocean Gate Terminal |
| Yantian International Container Terminals Co., Ltd. | Yantian Terminal Phases I & II |
| Yantian International Container Terminals (Phase III) Limited | Yantian Terminal Phase III |
| Yingkou Container Terminals Company Limited | Yingkou Container Terminal |
| Yingkou New Century Container Terminal Co., Ltd. | Yingkou New Century Terminal |
| **Others** | |
| Twenty-foot equivalent unit | TEU |

# CORPORATE GOVERNANCE REPORT

*COSCO SHIPPING Ports is committed to building a balanced world-class global terminal network to meet the needs of its customers, and to establishing, with the corporate brand of "The Ports for ALL", a synergistic platform that creates maximum value for the stakeholders. The Company pursues the corporate mission of "Connecting different Worlds and Creating Value", and strives to achieve the corporate vision of "Becoming the Global Leading Port Logistics Service Provider with a Customer-Oriented Focus". To this end, the Company adheres to the business philosophy of "Establishing a Global Presence, Lean Operation and Innovation Empowerment, Deepening Strategic Collaboration, Safe and Steady Development", and fully exerts its leading functions as the forerunner in the industry by formulating development strategies that balance the interests of all parties. Besides, the Company actively practices its corporate social responsibility and environmental protection awareness, so as to demonstrate its corporate value of "Customer-Oriented, Talent-Centered, Innovation-Leading, Open and Win-Win", and to inherit and develop its corporate spirit of "Companions, Strivers, and Achievers". Under the encouragement and promotion of the board of directors of the Company (the "Board"), all directors lead by example and all employees act with discipline and integrity, and continually uphold the value of "acting lawfully, ethically and responsibly".*

*The corporate governance framework of the Company aims to ensure that the highest standards of corporate conduct are in place within the Company. The Board sustains and enhances the Company's corporate governance through timely, transparent, effective and accountable approaches and policies. The Board strongly believes that good corporate governance is the core of a well-managed organisation.*

In 2024, COSCO SHIPPING Ports gained widespread recognition from various sectors of society and the capital markets for its exceptional terminal operation management and robust corporate governance model.

- Awarded "Best Shipping Port Operator Hong Kong", "Best Investor Relations Company (Ports sector) Hong Kong", "Most Sustainable Company (Ports sector) Hong Kong" and "Best CSR Company (Ports sector) Hong Kong" from International Business Magazine;
- Awarded "Best Investor Relations Company in Ports Sector China 2024", "Most Sustainable Company in Ports Sector China 2024" and "Best Shipping Ports Operator China 2024" from World Business Outlook Magazine;
- Awarded "Specialized Annual Reports Gold Award", "Online Annual Reports Bronze Award", "Hong Kong PRC Annual Reports Honors Award" and "Sustainability Reports Honors Award" from 2024 Astrid Awards;
- Awarded "Best Container Operator of the Year" and "Most Socially Responsible Port Operator" from Global Business Outlook Magazine;
- Awarded "Most Innovative Port Operator" from International Finance Magazine;
- Awarded "Asia's Best CEO", "Asia's Best CFO", "Best Investor Relations Company", "Best Investor Relations Professional" and "Sustainable Asia Award" from Corporate Governance Asia Magazine;

- Awarded "Excellence Award for H Share & Red Chip Entries – 2024 HKMA Best Annual Reports Awards" from The Hong Kong Management Association; and awarded "Best Corporate Governance and ESG Awards 2024 – Special Mention" from HKICPA;
- "In-House Counsel Awards 2024 – Winner – Aviation, Shipping & Logistics (Team)", "In-House Counsel Awards 2024 – Highly-commended – Compliance (Cross-border) (Team)", "In-House Counsel Awards 2024 – Highly-commended – International Compliance & Sanctions (Team)" and "In-House Counsel Awards 2024 – Highly-commended – Mergers & Acquisitions (Cross-border) (Team)" from China Business Law Journal;
- "GC Powerlist Hong Kong Teams 2024" from the Legal 500 GC Powerlist; and
- "In-House Industry Teams of the Year – Property, Infrastructure & Logistics" from In-House Community.

## CORPORATE GOVERNANCE PRACTICES

The Company disclosed its corporate governance practices in its annual reports as early as 2002.

The Company's corporate governance practices are in compliance with the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "Corporate Governance Code"). The Company also refers to the Organisation for Economic Co-operation and Development (OECD) principles to set out a series of ethical standards to maintain a high level of corporate accountability and transparency.

The Company believes that good corporate governance is essential to the sustainability of the Company's business and performance. The Company confirms that for the year ended 31 December 2024, it has complied with all the code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, except the following deviations:

Mr. ZHU Tao, the Managing Director (i.e. Chief Executive) of the Company, has been appointed as the Chairman of the Board since 26 June 2024. Hence, there is deviation from the requirement under code provision C.2.1 which provides that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company is of the view that although the same individual holds the roles of chairman and managing director, all major decisions of the Company are made by the management and reported to the Board committees and the Board to obtain the requisite approvals. Besides, the Company has an effective internal control system which provides adequate check-and-balance for such arrangements, ensuring that the Company's efficiency in decision-making and execution, as well as effective response to the ever-changing market environment and capture of business opportunities will not be affected.

Mr. YANG Zhijian, the then Chairman of the Board, was unable to attend the 2024 annual general meeting held on 24 May 2024 (the "2024 AGM") due to other business engagements. Hence, there is a deviation from the requirement under code provision F.2.2 which provides that the chairman of the board should attend the annual general meeting. At the 2024 AGM, Mr. ZHU Tao, the current Chairman of the Board and the Managing Director of the Company, was elected and acted as the chairman of the meeting, together with other members of the Board, senior management and advisors, to address and respond to questions raised by shareholders.

In order to promote transparency, the Company reviews, from time to time, the recommended best practices in the Corporate Governance Code that the Company may comply with. Set forth below are the major recommended best practices in the Corporate Governance Code with which the Company continued to comply during the year ended 31 December 2024:

### Recommended Best Practice D.1.5

Recommended best practice D.1.5 of the Corporate Governance Code states that a listed company should announce and publish quarterly financial results. The Company has published the announcements of its first and third quarterly results on 26 April 2024 and 30 October 2024, respectively, on a voluntary basis.

### Recommended Best Practice D.2.8

Recommended best practice D.2.8 of the Corporate Governance Code states that the board of directors of a listed company may disclose in the Corporate Governance Report that it has received a confirmation from the management on the effectiveness of the Company's risk management and internal control systems.

The Board of the Company has received confirmation from its management with respect to the effectiveness of the Company's risk management and internal control systems for 2024. Details of the effectiveness of the risk management and internal control systems of the Company are set out in the section headed "Risk Management and Internal Control" below.

Below are the policies, processes and practices adopted by the Company in compliance with the principles and spirit of the Corporate Governance Code.

## BOARD OF DIRECTORS

### Board Functions and Responsibilities of Directors

The Board is responsible for the leadership and control of the Company and its subsidiaries (together, the "Group") and is collectively responsible for promoting the success of the Group by directing and supervising the Group's business. Every Board member is required to keep abreast of his/her duties and responsibilities in the Company in its operation, business and development and should perform his/her duties in good faith, exercise due diligence and act in the best interest of the Group and its shareholders. The Board should ensure that the Company complies with all applicable laws and regulations.

The Board delegates day-to-day operations of the Group to the management. Both the Board and the management have clearly defined their respective authorities and responsibilities under various risk management, internal control and check-and-balance mechanisms. Matters that are decided by the Board include:

- establishing the strategic direction of the Group
- setting objectives and business development plans
- monitoring the performance of the senior management
- implementing corporate governance measures, including but not limited to (i) establishing risk management and internal control systems; (ii) establishing shareholders communication policy; and (iii) establishing mechanism on how the Board obtains independent advice, and reviewing such policy(ies) and mechanism(s) on a regular basis to ensure their effectiveness.

The Board reviews and approves the Company's annual budget and business plans, which serve as the important benchmarks in assessing and monitoring the performance of the management. The directors have access to the management and are welcome to request explanations, briefings or discussions on the Company's operations or business issues.

The Company has clear corporate governance procedures in place to ensure that all directors fully understand their duties and responsibilities.

All newly appointed directors are required to attend a comprehensive programme which includes management presentations on the Group's businesses, strategic plans and objectives. A comprehensive orientation package including policies on disclosure of interest in securities, prohibitions against dealing in the Company's securities, restrictions on disclosure of inside information, and disclosure obligations of a listed company under the Listing Rules is provided. Information included in the programme and orientation package are updated from time to time and in accordance with the changes in the relevant laws and regulations.

## Board Composition

As at 21 March 2025 (the date on which the Board approved this report), the Board consisted of eight members. Among them, one is executive director, two are non-executive directors and five are independent non-executive directors, including Mr. ZHU Tao[1] (Chairman and Managing Director), Mr. MA Xianghui[2], Mr. CHEN Shuai[2], Dr. FAN HSU Lai Tai, Rita[3], Mr. Adrian David LI Man Kiu[3], Mr. LAM Yiu Kin[3], Prof. CHAN Ka Lok[3] and Mr. YANG Liang Yee Philip[3].

1 Executive director
2 Non-executive director
3 Independent non-executive director

There are no relationships (including financial, business, family or other material/relevant relationship(s)) between the Board members, except that the Chairman and the Managing Director have been the same person since 26 June 2024. Biographical details of the directors are set out in the section headed "Directors and Senior Management Profiles" in this annual report and the section headed "About CSP – Leadership – Board of Directors" on the Company's website at (https://ports.coscoshipping.com). A list containing the names of the directors and their respective roles and functions is also published on the said website.

## Separation of Chairman and Managing Director

To ensure independence, accountability and responsibility in Board functions, the posts of Chairman and Managing Director are separated and each plays a distinctive role. The Chairman is responsible for setting the Group's strategy and business directions, managing the Board and ensuring that the Board functions efficiently with good corporate governance practices and procedures, as well as handling key issues in a timely manner. The Managing Director, supported by other Board members and the senior management, is responsible for implementing major strategies set by the Board and managing the Group's day-to-day business. The division of responsibility between the Chairman and the Managing Director is clearly established and set out in writing. The Chairman of the Board and the Managing Director of the Company have been assumed by Mr. ZHU Tao since 26 June 2024. Although the roles of Chairman and Managing Director are held by the same person, this arrangement will not adversely affect the Company's decision-making and execution efficiency, its ability to effectively respond to the ever-changing market environment, or its ability to seize business opportunities.

## Non-executive Directors (including Independent Non-executive Directors)

The Company has two non-executive directors and five independent non-executive directors who are not involved in the day-to-day operation and management of the Group's businesses. The two non-executive directors have contributed innovative views to the Board's decision-making process based on their rich experience in terminal operations management, accounting and financing, capital market and strategic planning. Their expertise helps to facilitate the process of formulating the Group's strategy. The five independent non-executive directors, representing more than one third of the Board, have well-recognised experience in areas such as accounting, law, banking and/or commercial fields. Their insightful advice, diverse skills and extensive business experience are major contributors to the development of the Company, and offer check and balance to the Board. They ensure that matters are fully debated and that no individual or group of individuals dominates the Board's decision-making process. In addition, they procure the Board to maintain a high standard of financial, regulatory and other mandatory reporting and provide an adequate check and balance to safeguard the interest of shareholders and the Company as a whole.

Each of the non-executive directors and independent non-executive directors has signed an appointment letter with the Company for a term of around three years. Their terms of appointment are subject to the rotational retirement provision of the Bye-laws of the Company and shall terminate on the earlier of (i) the date of expiry of the said term of service, or (ii) the date on which the director ceases to be a director for any reasons pursuant to the Bye-laws of the Company or any applicable laws.

The Board has received from each independent non-executive director a written annual confirmation of his/her independence and is satisfied with their independence up to the date of this report in accordance with the Listing Rules.

The Nomination Committee of the Company has conducted an annual review of the independence of all independent non-executive directors of the Company and confirmed that all the independent non-executive directors satisfied the criteria of independence as set out in the Listing Rules.

## Board Meetings

Board meetings are scheduled one year in advance to facilitate maximum attendance by the directors. The Board held four regular Board meetings during the financial year ended 31 December 2024 at quarterly intervals to approve the 2023 annual results, 2024 interim results and 2024 first and third quarterly results of the Company. The average attendance rate was 83.5%. Independent non-executive directors of the Company have attended the Board meetings for considering and approving the continuing connected transaction. As the members of the Board are either based in Hong Kong or in Mainland China, the Board meetings were conducted by video and/or telephone conference as permitted under the Bye-laws of the Company. The Chief Accountant and the Board Secretary also attended the Board meetings to report matters arising from corporate governance, risk management, statutory compliance, accounting and financial aspects.

Before each regular Board meeting, the Board is provided with adequate information by the senior management pertaining to matters to be brought before the Board for decision as well as reports relating to operational and financial performances of the Group, in addition to the minutes of preceding meetings of the Board and Board committees. At least 14 days' notice of a regular Board meeting is given to all directors to provide them with an opportunity to attend and all directors are given an opportunity to include matters in the agenda for a regular meeting. Board papers are dispatched to the directors at least three days before the meeting to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting. Directors unable to attend a meeting are advised of the matters to be discussed and are given an opportunity to make their views known to the Chairman prior to the meeting. If any director requires further information or explanation after the meeting documents have been provided, responses will be provided by the relevant division(s) to ensure that the director has the information he/she considers necessary before making a decision. Besides, in order to assist the directors in fulfilling their duties to the Company, the Board has established written procedures for them, upon reasonable request, to seek independent professional advice at the Company's expense in appropriate circumstances. Senior management members, the management and professional consultants (if required) who are responsible for the preparation of the Board papers are invited to attend the meeting and answer any questions or enquiries that Board members may have on the papers. This enables the Board to obtain pertinent data and thorough understanding of the Board's decision-making matters, thereby enabling a comprehensive and informed assessment of the matter. Except occasional absence due to business engagements, the Chairman of the Company conducts the proceedings of the Board at all Board meetings. He ensures that sufficient time is allocated for discussion and consideration of each item on the agenda and equal opportunities are given to all the directors to speak, express their views and raise their concerns. In addition, the chairman of the meeting shall ask the directors whether they have any objections or any questions to raise for discussion on each agenda item, ensuring that each director can present his/her independent views on the spot. The above measures form the mechanisms which ensure independent views are available to the Board. The Board is of the view that such mechanisms ensure that the directors to have chance to speak and express their independent views, and considers that such mechanisms are effective.

Minutes of the Board meetings record in sufficient detail the matters considered by the Board and the decisions reached, including any concerns raised by the directors. Draft minutes of each Board meeting are sent to all directors for comments within a reasonable time after the Board meeting is held. All directors have access to the Board Secretary, who is responsible for ensuring that the Board procedures and all applicable laws and regulations are complied with and providing advice to the Board on compliance matters.

Set out below are the details of all directors' attendance at the Board meetings and general meetings during the year ended 31 December 2024 which illustrate the attention given by the directors in overseeing the Company's affairs and understanding shareholders' views:

### Attendance Record of Board Members at Board Meetings and General Meetings held in 2024

| | No. of Board meetings attended/held | Attendance rate of Board meetings (%) | No. of general meetings attended/held | Attendance rate of general meetings (%) |
|---|---|---|---|---|
| **Directors** | | | | |
| Mr. ZHU Tao[1] (Chairman and Managing Director) | 4/4 | 100 | 1/2 | 50 |
| Mr. MA Xianghui[2] (Appointed on 26 June 2024) | 2/2 | 100 | 1/1 | 100 |
| Mr. CHEN Shuai[2] (Appointed on 24 December 2024) | N/A | N/A | N/A | N/A |
| Dr. FAN HSU Lai Tai, Rita[3] | 4/4 | 100 | 2/2 | 100 |
| Mr. Adrian David LI Man Kiu[3] | 3/4 | 75 | 2/2 | 100 |
| Mr. LAM Yiu Kin[3] | 4/4 | 100 | 2/2 | 100 |
| Prof. CHAN Ka Lok[3] | 4/4 | 100 | 2/2 | 100 |
| Mr. YANG Liang Yee Philip[3] | 4/4 | 100 | 0/2 | 0 |
| **Former Directors** | | | | |
| Mr. YANG Zhijian[1] (Resigned on 26 June 2024) | 2/2 | 100 | 0/1 | 0 |
| Mr. ZHANG Wei[2] (Resigned on 24 December 2024) | 0/4 | 0 | 0/2 | 0 |
| Mr. CHEN Dong[2] (Retired on 24 May 2024) | 1/2 | 50 | 0/1 | 0 |
| Dr. WONG Tin Yau, Kelvin[1] (Resigned on 14 October 2024) | 3/3 | 100 | 1/1 | 100 |

1 Executive director
2 Non-executive director
3 Independent non-executive director

Pursuant to code provision C.2.7 of the Corporate Governance Code, a meeting is held annually between the Chairman and the independent non-executive directors without the presence of other directors. Due to the work arrangements of the Chairman and the independent non-executive directors, the meeting for 2024 was postponed until February 2025.

## Appointment, Re-election and Removal of Directors

The Company follows a set of formal, well-considered and transparent procedures for the appointment of new directors. The Nomination Committee, chaired by an independent non-executive director, and comprising a majority of independent non-executive directors, has formulated a set of nomination policies and is responsible for identifying and nominating suitable candidates as additional directors or to fill in casual vacancies on the Board for the Board's consideration, and for making recommendations to the shareholders regarding any directors proposed for re-election at general meetings.

Details of the selection process of new directors and a summary of work performed by the Nomination Committee in 2024 are set out in the "Nomination Committee" section below.

At each annual general meeting, one third of the serving directors (or, if their number is not a multiple of three, the number nearest to but not more than one third) shall retire from office by rotation provided that every director shall be subject to retirement at least once every three years.

## Directors' Commitment and Participation in Continuous Professional Development Programmes

The Company has received confirmations from all directors that they have given sufficient time and attention to the affairs of the Company during the year ended 31 December 2024. Directors have also disclosed to the Company the number and nature of their offices held in public companies or organisations and other significant commitments, as well as the identity of the said public companies and an indication of time involved in such offices.

Directors are required to participate in continuous professional development to ensure that they have a proper understanding of the Company's operations and business and are fully aware of their responsibilities under the Listing Rules and other applicable laws and regulations. The following table sets out the details of all directors' participation in continuous professional development programmes during the year ended 31 December 2024:

### Directors' Participation in Continuous Professional Development Programmes in 2024

| | Reading regulatory updates | Making visits to management of the Company and/or its subsidiaries | Attending directors' training organised by the Company or other listed companies/ professional organisations |
|---|---|---|---|
| **Directors** | | | |
| Mr. ZHU Tao[1] (Chairman and Managing Director) | ✓ | ✓ | ✓ |
| Mr. MA Xianghui[2] (Appointed on 26 June 2024) | ✓ | ✓ | ✓ |
| Mr. CHEN Shuai[2] (Appointed on 24 December 2024) | – | – | – |
| Dr. FAN HSU Lai Tai, Rita[3] | ✓ | ✓ | ✓ |
| Mr. Adrian David LI Man Kiu[3] | ✓ | ✓ | ✓ |
| Mr. LAM Yiu Kin[3] | ✓ | ✓ | ✓ |
| Prof. CHAN Ka Lok[3] | ✓ | ✓ | ✓ |
| Mr. YANG Liang Yee Philip[3] | ✓ | ✓ | ✓ |
| **Former Directors** | | | |
| Mr. YANG Zhijian[1] (Resigned on 26 June 2024) | ✓ | ✓ | ✓ |
| Mr. ZHANG Wei[2] (Resigned on 24 December 2024) | ✓ | – | – |
| Mr. CHEN Dong[2] (Retired on 24 May 2024) | ✓ | ✓ | – |
| Dr. WONG Tin Yau, Kelvin[1] (Resigned on 14 October 2024) | ✓ | ✓ | ✓ |

1 Executive director
2 Non-executive director
3 Independent non-executive director

### Directors'/Senior Management's Securities Transactions

All directors are obliged to observe the requirements stipulated in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code"), as the Company has adopted the Model Code as the Company's code of conduct and rules governing dealings by its directors in the securities of the Company. In addition, the Board has established written guidelines for the senior management and relevant employees of the Company in respect of their dealings in the securities of the Company on no less exacting terms than the Model Code. A committee comprising the Chairman who also serves as the Managing Director was set up to deal with such transactions.

Specific confirmation has been obtained from the directors and senior management of the Company regarding their compliance with the Model Code and the aforementioned guidelines in 2024. No incidents of non-compliance were identified by the Company in 2024.

## BOARD SECRETARY

The Board Secretary, who also serves as the Company's General Counsel and Chief Compliance Officer, is directly responsible to the Board. She ensures that directors are updated on all relevant regulatory changes of which she is aware, including organising appropriate continuing development programmes for directors.

All directors have access to the Board Secretary who is responsible for ensuring good information flow within the Board and accurate execution of the Board policies and procedures. The Board Secretary is also responsible for providing advice to the Board in relation to directors' obligations regarding disclosure of interest in securities and regarding disclosure requirements on notifiable transactions, connected transactions and inside information. In respect of information disclosure, the Board Secretary shall advise the Board on making true, accurate, complete and timely disclosures to the public strictly pursuant to the requirements of the Listing Rules, applicable laws, regulations and the Bye-laws of the Company.

The Board Secretary is authorised representative of the Company and the primary channel of communication between the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). She also assists the Board in implementing and strengthening corporate governance practices with a view to enhancing long-term shareholder value. In addition, the Board Secretary will, when appropriate, provide directors with the latest information regarding their continuing legal, regulatory and compliance obligations. In relation to connected transactions and disclosure requirements, regular seminars are held by the Board Secretary for management and senior executives within the Group to ensure that such transactions are handled in compliance with the Listing Rules. Detailed analyses are performed on all potential connected transactions to ensure full compliance, as well as for directors' consideration.

The Board Secretary has duly complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

# DELEGATION BY THE BOARD

## Management Functions

The Board delegates day-to-day responsibilities to the management. The respective functions of the Board and the management have been clearly established and set out in writing. The management is responsible for the following duties delegated by the Board:

- implementing the strategies and plans established by the Board
- submitting reports on the Company's operations to the Board on a regular basis to ensure effective discharge of responsibilities by the Board, including but not limited to the monthly updates as required by the Listing Rules

## Board Committees

To assist the Board in the execution of its duties and to facilitate effective management, certain functions of the Board have been delegated to various Board committees, which shall review and make recommendations to the Board within a specific scope. The Board has established a total of seven Board committees, the details of which are set out below. Each committee consists of directors, members of senior management and management members, and has a defined scope of duties and terms of reference; and committee members have the right to make decisions on matters within the terms of reference of each committee. These committees have the authority to examine particular issues and report to the Board with their recommendations where appropriate, subject to the ultimate authority of final decision-making by the Board on all matters.

The terms of reference of the above Board committees setting out their roles and the authority delegated by the Board have been posted under the section headed "About CSP – Leadership – Board Committees" on the Company's website at (https://ports.coscoshipping.com). The terms of reference will be revised when appropriate. It is the Company's policy to ensure that the committees are provided with sufficient resources to discharge their duties. They have regular, scheduled meetings every year and report to the Board on a regular basis. All businesses transacted at committee meetings are meticulously recorded and well maintained, and minutes of committee meetings are circulated to the Board for reference.

### 1. Executive Committee

The Executive Committee consists of all the executive directors of the Company who are frequently in Hong Kong. The committee is established to facilitate the daily operations of the Company. As most of the directors of the Company are fully engaged in their major responsibilities and/or stationed in Mainland China and Hong Kong, it is practically difficult and inconvenient to convene full Board meetings or arrange for all directors to sign written resolutions on a frequent basis. Hence, the Board delegates powers to the Executive Committee to conduct and supervise the business of the Company and its staff.

During the year ended 31 December 2024, the Executive Committee executed 18 sets of written resolutions. Relevant written resolutions recorded in detail all matters resolved, including key factors considered for decision making. A committee member presents a summary report on the business resolved by the committee to the Board at Board meetings. All directors of the Company can inspect the minutes and written resolutions of the committee meetings at any time, and request for copies of the written resolutions from the Board Secretary.

## 2. Audit Committee

The Audit Committee, chaired by an independent non-executive director with appropriate professional qualifications, consists of three members, all of whom are independent non-executive directors of the Company. All committee members are professionals in their own sectors, including accounting, legal, banking and/or commercial areas, etc.

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It has unrestricted access to information relating to the Group, internal auditors (with relevant functions performed by the Audit & Supervision Division of the Company (the "Audit & Supervision Division")), external auditors, the management and the staff. Its terms of reference are aligned with the recommendations set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the code provisions set out in the Corporate Governance Code.

In addition to providing advice and recommendations to the Board, the Audit Committee oversees all matters relating to the external auditors. It therefore plays an important role in monitoring and maintaining the independence of the external auditors. The Audit & Supervision Division is directly accountable to the Chairman of the Audit Committee.

Regular meetings of the Audit Committee are held four times a year on a quarterly basis, with additional meetings arranged as and when required. During the year ended 31 December 2024, a total of five meetings were held and attended by all members of the Audit Committee.

The key matters deliberated on by the Audit Committee in 2024 included but are not limited to:

- reviewed the accounting principles and practices adopted by the Group and other financial reporting matters
- reviewed the drafts of annual, interim and quarterly results announcements as well as those of annual and interim reports of the Company, and assured the completeness, accuracy and fairness of the financial statements of the Company
- reviewed the results of the external audit, and discussed relevant audit issues with the external auditors
- reviewed the internal audit plans and reports
- reviewed the risk management and internal control policy of the Company; discussed the effectiveness of the risk management and internal control systems throughout the Group, including financial, operational and compliance controls, and reviewed the report on risk management and internal control
- reviewed the report on legal work done
- reviewed the appointment of external auditor and related audit fees
- reviewed the summary of continuing connected transactions of the Company on a quarterly basis

### Attendance Record of Audit Committee Members in 2024

| Names of members | No. of meetings attended/held | Attendance rate (%) |
|---|---|---|
| Mr. Adrian David LI Man Kiu[1] (Chairman) | 5/5 | 100 |
| Dr. FAN HSU Lai Tai, Rita[1] | 5/5 | 100 |
| Mr. LAM Yiu Kin[1] | 5/5 | 100 |

1 Independent non-executive director

## 3. Remuneration Committee

The Remuneration Committee comprises five members, the majority of whom (including chairman of the committee) are independent non-executive directors of the Company.

The Company adopts model (ii) as set out in the code provision E.1.2(c) of the Corporate Governance Code, under which the Remuneration Committee makes recommendations to the Board on the remuneration packages of individual executive directors and senior management. The Remuneration Committee also makes recommendations to the Board on the policy and structure for all directors' and senior management's remuneration. If necessary, the Remuneration Committee can engage professional advisers to assist and/or provide professional advice on relevant issues.

When formulating remuneration packages (which comprise salaries, bonus, benefits in kind, etc.), the Remuneration Committee considers several factors such as salaries paid by comparable companies, time commitment, job responsibilities, individual performance and the performance of the Company. The Remuneration Committee will also review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives resolved by the Board from time to time.

The following is a summary of the work of the Remuneration Committee in 2024:

- conducted annual review and made recommendations to the Board on the remuneration packages of all directors and members of senior management
- reviewed and made recommendations to the Board on the remuneration packages of newly appointed directors and members of senior management

### Attendance Record of Remuneration Committee Members in 2024

| Name of members | No. of meetings attended/held | Attendance rate (%) |
|---|---|---|
| **Members** | | |
| Dr. FAN HSU Lai Tai, Rita[1] (Chairman) | 2/2 | 100 |
| Mr. Adrian David LI Man Kiu[1] | 2/2 | 100 |
| Prof. CHAN Ka Lok[1] | 2/2 | 100 |
| Mr. ZHU Tao[2] | 1/2 | 50 |
| Mr. MING Kailang (Appointed on 29 October 2024) | 1/1 | 100 |
| **Former member** | | |
| Mr. SHI Guoqiang (Resigned on 29 October 2024) | 1/1 | 100 |

1 Independent non-executive director
2 Executive director, Chairman of the Board, Managing Director

#### *Remuneration Policy*

The remuneration policy of the Company ensures the competitiveness and effectiveness of the Company's pay levels for attracting, retaining and motivating directors, senior management and employees. No director, or any of his/her associates, is involved in determining his/her own remuneration. The remuneration policy for non-executive directors ensures that they are sufficiently yet not excessively compensated for their efforts and time dedicated to the Company. The policy for executive directors, senior management and employees assures that remuneration offered is appropriate for the duties involved and in line with market practice. The aggregate amount of directors' fees is subject to approval by shareholders at the annual general meeting.

The key components of the Company's remuneration package include basic salary plus other allowances, discretionary cash bonus and mandatory provident fund. The cash bonus is tied to the performance of the individual.

## 4. Nomination Committee

The Nomination Committee comprises three members, the majority of whom (including chairman of the committee) are independent non-executive directors of the Company.

The Nomination Committee is responsible for nominating potential candidates for directorship, reviewing the nomination of directors, assessing the independence of independent non-executive directors and making recommendations to the Board on appointments and re-elections. It is also responsible for reviewing and making recommendations, if any, to the Board on the Company's board diversity policy (the "Board Diversity Policy").

During 2024 and early 2025, the work performed by the Nomination Committee included the following:

- reviewed the Board Diversity Policy
- reviewed the structure, size and composition of the Board
- made recommendations to the Board on matters relating to the appointment and re-election of directors
- made recommendations to the Board on matters relating to the appointment of Board committees members
- conducted an annual review of the independence of the independent non-executive directors

According to the terms of reference of the Nomination Committee, all new appointments of directors and nominations of retiring directors proposed for re-election at the annual general meeting should first be considered by the Nomination Committee according to the nomination policy and Board Diversity Policy and then recommended by the Nomination Committee to the Board for decision.

In early 2025, the Nomination Committee nominated and the Board recommended that Mr. MA Xianghui and Mr. CHEN Shuai (Non-executive Directors), being new directors appointed after the last annual general meeting, and Prof. CHAN Ka Lok and Mr. YANG Liang Yee Philip (Independent Non-executive Directors), being directors who have been longest in office since their last re-election, retire by rotation at the forthcoming annual general meeting. All the retiring directors, being eligible, will offer themselves for re-election by shareholders of the Company.

### Attendance Record of Nomination Committee Members in 2024

| Name of members | No. of meetings attended/held | Attendance rate (%) |
|---|---|---|
| **Members** | | |
| Mr. Adrian David LI Man Kiu[1] (Chairman) | 2/2 | 100 |
| Dr. FAN HSU Lai Tai, Rita[1] | 2/2 | 100 |
| Mr. ZHU Tao[2] | 1/2 | 50 |

1 Independent non-executive director
2 Executive director, Chairman of the Board, Managing Director

### *Nomination Policy*

The Board adopts a policy on the nomination of directors (the "Nomination Policy"), which was prepared with reference to the Board Diversity Policy (as defined below) and the existing procedures for nomination of directors of the Nomination Committee, and aims at setting out the nomination procedures and the process and criteria to select and recommend candidates for directorship.

According to the Nomination Policy, for filling a casual vacancy or appointing additional director to the Board, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election or re-election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation. The secretary of the Nomination Committee shall call a meeting of the Nomination Committee and invite nominations of candidates from the Board members for consideration by the committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members. Furthermore, shareholder(s) may nominate a person as a director, without the Board's recommendation or the Nomination Committee's nomination, according to the provisions and procedures set out under the paragraph titled "Procedures for Shareholders to Propose a Person for Election as a Director" under the section titled "Procedures for Shareholders to Put Forward Proposals at General Meetings" below.

The Nomination Committee will consider factors including the candidate's reputation for integrity, accomplishment and experience, in particular, in the industry of the Company's business, diversity represented in the Board, his/her ability to exercise independent judgement, etc. For the appointment of independent non-executive directors, independence factors as required under the applicable laws, rules or regulations will be considered. Apart from the personal data to be disclosed on the relevant websites, Nomination Committee may request candidates to provide additional information and documents, if considered necessary, for the reference of the Nomination Committee and the Board.

### *Board Diversity Policy*

The Board adopts a Board Diversity Policy which aims at setting out the principles and approaches to achieve the diversity of the Board.

The Company regards the diversity of the Board as one of the crucial elements of the Company's sustainable development and in maintaining its competitive advantages. Candidates for Board appointments are considered based on each objective criterion and with due regard for the benefits of diversity of the Board. Selection of candidates will be based on a number of perspectives, including but not limited to gender, age, skills, cultural background, knowledge and professional experience. The final decision will be based on the merit of the candidate and the contribution the candidate will bring to the Board. The Board should not be comprised of members of a single gender.

The Board's composition under diversified perspectives is summarised as follows:

## Board Diversity

| | | | |
|---|---|---|---|
| **1. Designation** | Executive Director (1) | Non-executive Director (2) | Independent Non-executive Director (5) |
| **2. Gender** | Male (7) | Female (1) | |
| **3. Ethnicity** | Chinese (8) | | |
| **4. Age group** | 40–50 (2) | 51–60 (2) | Over 60 (4) |
| **5. Length of service (years)** | Over 10 (2) | 3–10 (3) | Less than 3 (3) |
| **6. Skills, knowledge and professional experience**Note 1 | Terminal operation and management (3) | Accounting and financing (4) | Banking (1) |
| | Law (2) | Management and commercial (1) | Capital market (1) |
| | Mergers and acquisitions (1) | Strategic planning (1) | |
| **7. Academic background** | University (8) | | |

Note 1: Directors may possess multiple skills, knowledge and professional experience.
Note 2: The number in brackets refers to the number of directors under the relevant category.

As reviewed and suggested by the Nomination Committee, the Board was of the view that the Board has achieved diversity in terms of gender, age group and skills, knowledge and professional experience, and considers that the Board Diversity Policy is effective. It is currently not required to set any measurable objectives for implementing the said policy.

## 5. Environmental, Social and Governance Committee

The Environmental, Social and Governance Committee comprises three members, the majority of whom (including chairman of the committee) are independent non-executive directors of the Company.

The Environmental, Social and Governance Committee is responsible for overseeing and reviewing the policies, practices, framework and management approach of the corporate social responsibility and sustainable development of the Group, reviewing the practices on corporate governance and disclosure systems of the Company, and making recommendations to the Board on relevant matters, with an aim to enhancing the standard of corporate governance of the Company.

In 2024 and early 2025, the Environmental, Social and Governance Committee performed the following work in relation to reviewing the implementation of environmental, social and governance measures of the Company:

- reviewed the results of double materiality assessment for 2024
- reviewed the results of climate scenario analysis (including physical and transition risks and opportunities)
- reviewed the Company's environmental, social and governance work done for 2024
- reviewed the Company's performance on sustainable development (including the revised energy saving and carbon reduction targets, progress made against the targets, and measures adopted for achieving such targets)
- reviewed the global trend of environmental, social and governance, and emerging sustainability-related disclosure requirements (including the International Financial Reporting Standards Sustainability Disclosure Standards released by the International Sustainability Standards Board, and the amendments to the Environmental, Social and Governance Reporting Guide of the Stock Exchange), and made recommendations on how to address the current and emerging trend and disclosure requirements
- reviewed the Company's corporate governance policies and practices and made recommendations to the Board, and reviewed the training and continuous professional development of directors and senior management, as well as the Company's policies and practices on compliance with legal and regulatory requirements pursuant to code provision A.2.1 of the Corporate Governance Code

## Attendance Record of Environmental, Social and Governance Committee Members in 2024

| Name of members | No. of meetings attended/held | Attendance rate (%) |
|---|---|---|
| **Members** | | |
| Prof. CHAN Ka Lok[1] (Chairman) | 2/2 | 100 |
| Mr. YANG Liang Yee Philip[1] | 2/2 | 100 |
| Mr. ZHU Tao[2] (Appointed on 26 June 2024) | 1/1 | 100 |
| **Former member** | | |
| Mr. YANG Zhijian[3] (Resigned on 26 June 2024) | 0/1 | 0 |

1 Independent non-executive director
2 Executive director, Chairman of the Board, Managing Director
3 Executive director, Chairman of the Board

## 6. Investment and Strategic Planning Committee

The Investment and Strategic Planning Committee, led by an executive director, comprises 10 members, including executive directors, members of senior management and management members. It is responsible for the consideration, evaluation and review of and making recommendations to the Board on proposed major investment plans, acquisitions and disposals, and conducting post-investment evaluation of investment projects. It also reviews and considers the direction of the overall strategy and business development of the Company.

In accordance with the actual work requirements, there were no relevant matters during the year that required submission to the Investment and Strategic Planning Committee for review and presentation to the Board for reference.

## 7. Risk Management Committee of the Company

The Risk Management Committee of the Company, led by an executive director, comprises eight members, including executive directors, members of senior management and management members. It is responsible for identifying and minimizing the operational risks of the Company, setting the direction of the Group's risk management strategy, strengthening the Group's risk management system and giving opinions to the Board on risk-related matters of the Company.

Details of the role and responsibilities of the Risk Management Committee in relation to risk management of the Company are set out in the paragraph headed "Risk Management and Internal Control" below.

### Attendance Record of Risk Management Committee Members in 2024

| Name of members | No. of meetings attended/held | Attendance rate (%) |
|---|---|---|
| **Members** | | |
| Mr. ZHU Tao[1] (Chairman) | 2/4 | 50 |
| Mr. CHEN Yipeng (Appointed on 29 October 2024) | 1/1 | 100 |
| Mr. ZHAO Fengnian | 4/4 | 100 |
| Ms. HUNG Man, Michelle | 4/4 | 100 |
| Mr. CHEN Dong | 3/4 | 75 |
| Mr. YU Danwei | 4/4 | 100 |
| Mr. LI Jie | 3/4 | 75 |
| Mr. PAN Dong | 4/4 | 100 |
| **Former member** | | |
| Mr. MA Bo (Resigned on 29 October 2024) | 2/3 | 66.7 |

1 Executive director, Chairman of the Board, Managing Director

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

Below sets out the responsibilities of the directors in relation to the financial statements, which should be read in conjunction with, but distinguished from, the Independent Auditor's Report on pages 113 to 119 which acknowledges the reporting responsibilities of the Group's auditors.

### Annual Report and Financial Statements

The directors acknowledge their responsibilities for preparing financial statements for each financial year which shall give a true and fair view of the results and financial position of the Group.

### Accounting Policies

The directors consider that in preparing its financial statements, the Group adopted appropriate accounting policies that are consistently applied, and that all applicable accounting standards are observed.

### Accounting Records

The directors are responsible for ensuring that the Group keeps accounting records which disclose, with reasonable accuracy, the financial position and results of the Group and which enable the preparation of financial statements in accordance with the Hong Kong Companies Ordinance, the Listing Rules and applicable accounting standards.

### Safeguarding Assets

The directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

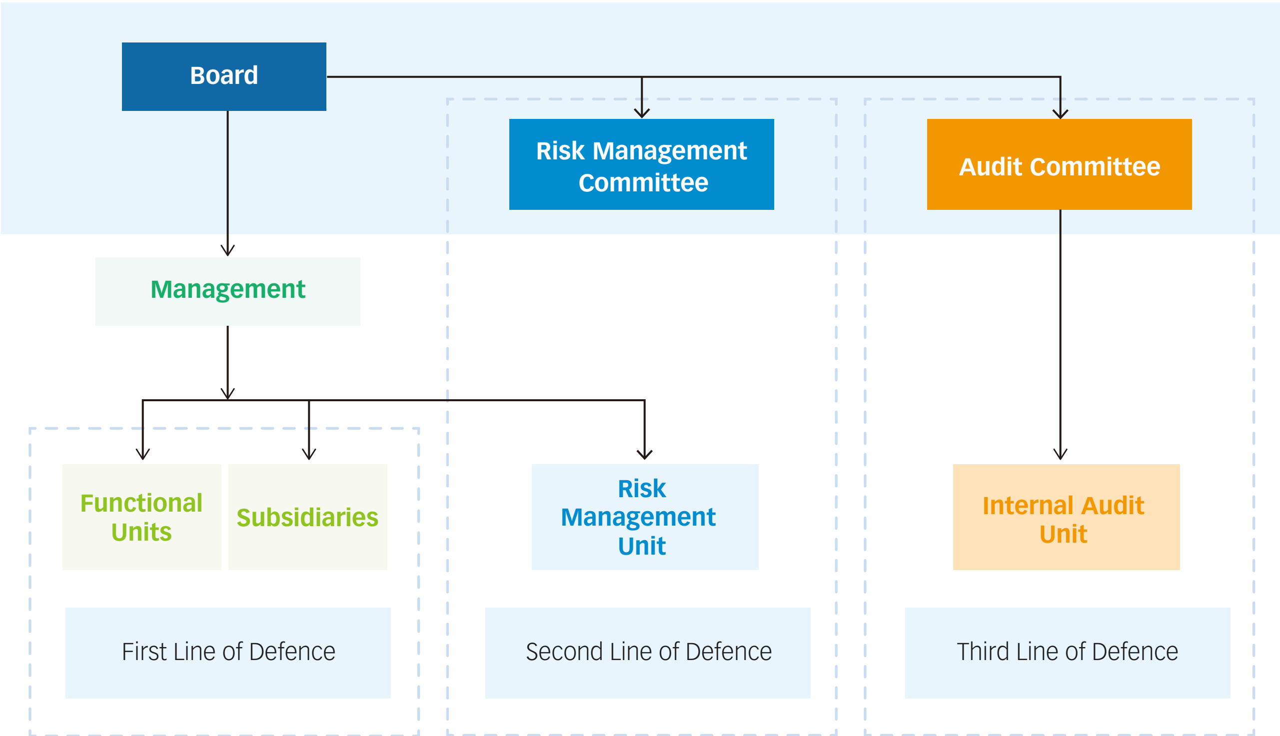
## RISK MANAGEMENT AND INTERNAL CONTROL

The Board is fully responsible for assessing and determining the continuous effectiveness of the risk management and internal control systems of the Company in an effort to safeguard the interests of its shareholders. Based on its control environment, risk assessment and corresponding strategies, supervision and improvement, the Company has established its risk management and internal control systems which are grounded on "three lines of defence" and are integrated with business activities. The risk management framework of the risk management and internal control systems makes reference to the COSO framework established by the Committee of Sponsoring Organisations of the Treadway Commission of the United States of America, the "General Risk Management Guidelines for State-owned Enterprises" issued by the State-owned Assets Supervision and Administration Commission of the State Council (the "SASAC"), the "Basic Norms of Internal Control for Enterprises" and complementary guidelines issued by the Ministry of Finance and four other ministries and commissions of the People's Republic of China, and the guide on internal control and risk management issued by the HKICPA.

## Risk Management Framework

Below is the Company's risk management framework, which comprises the risk management structure and the risk management procedures:

### Risk Management Structure




### Risk Management Procedures

The division of major functions and responsibilities in the risk management structure is as follows:

| | |
|---|---|
| **The Board** | • Review the effectiveness of the risk management and internal control systems<br>• Make decisions on and monitor the risk management and internal control systems of the Company<br>• Approve the annual assessment report on risk management and internal control of the Company<br>• Approve the work plans on risk management and internal control of the Company<br>• Review and ensure the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions, as well as in relation to the Company's environmental, social and governance performance and reporting |
| **Audit Committee** | • Review the effectiveness of the risk management and internal control systems of the Company, ensure that the management has performed its duties of establishing effective systems, and report to the Board on the conclusion of the review |
| **Risk Management Committee** | • Establish a scientific risk management mechanism, enhance the ability to prevent and control the risks relating to assets and business, improve work efficiency, and ensure a smooth rollout and steady implementation of operational management<br>• Consider and approve the risk management policy, and monitor and provide guidance on the implementation of the policy<br>• Monitor and provide guidance on the identification, prevention and control of risks regarding funds, assets, projects, business and management<br>• Consider and approve the risk control review report regarding material funds, assets, projects, business operation and other matters, and monitor their implementation and execution<br>• Give opinions to the Board on risk-related matters of the Company |
| **Management** | • Implement, maintain and continuously monitor the risk management and internal control systems of the Company<br>• Provide the Board with confirmation on the effectiveness of the risk management and internal control systems on an annual basis<br>• Make annual work arrangement for the upcoming year with appropriate emphases, based on the assessment reports on risk management and internal control of the Company issued by external agencies |

| | |
|---|---|
| **Risk Management Unit** | • Coordinate the drafting of basic systems and processes for risk management and internal control, standardise and regulate the risk management and internal control of the Company<br>• Coordinate the drafting and implementation of the routine and annual work plans on risk management and internal control<br>• Coordinate risk assessment by functional units and subsidiaries, and prepare the annual risk assessment report for the Company<br>• Coordinate the evaluation on the effectiveness of the internal control by functional units and subsidiaries, and prepare the annual evaluation report on internal control<br>• Coordinate, liaise, guide and monitor the work on risk management and internal control by functional units and subsidiaries<br>• Complete other tasks in relation to risk management and internal control assigned by the Board |
| **Functional Units and Subsidiaries** | • Amend and implement the regulatory policies and management procedures within their scope of duties, and establish and optimise the risk management and internal control mechanisms<br>• Carry out risk management and internal control functions, including identifying, analysing, evaluating and handling operational and management risks within their scope of duties<br>• Conduct self-evaluation, correction, and rectification of risk management and internal control for areas within their scope of duties<br>• Establish, maintain and monitor on a daily basis the risk alert indicators for areas within their scope of duties, report major risks and take contingency measures in case of a significant risk incident<br>• Guide and supervise the risk management and internal control exercised on business carried out by functional units and subsidiaries within their scope of duties<br>• Assist in completing other routine works on risk management and internal control |
| **Internal Audit Unit** | • Examine the suitability and effectiveness of the risk management and internal control systems, and supervise in an independent manner the risk management and internal control exercised by functional units and subsidiaries<br>• Prepare the audit plan at the beginning of each year, and enhance supervision over the implementation of various requirements from the supervisory |

The risk management procedures include the following major tasks:

| | |
|---|---|
| **Objective establishment** | • Establish strategic, operational, reporting, compliance and other relevant objectives based on the risk tolerance levels of the Company, while fully taking into account the impact of various risks during the process |
| **Risk identification** | • All functional units and subsidiaries to collect internal and external information relating to risks on a regular basis, and carry out necessary screening, refinement, comparison, classification and combination<br>• Identify the risks in the Company's major business operations and key business processes in accordance with the risk management framework established |
| **Risk assessment** | • Define the identified risks and their characteristics, and analyse and describe the likelihood and impact of the risks<br>• Determine the Company's major risks after assessing their importance in accordance with the evaluation criteria established |
| **Measures against risks** | • All functional units and subsidiaries choose corresponding strategies to address risks based on risk assessment results and the causes of such risks<br>• Prepare solutions to each types of or each individual major risk based on the risk reaction strategies<br>• Design practical risk control activities and effectively implement corresponding solutions to risk management |
| **Supervision and improvement** | • All functional units and subsidiaries carry out ongoing day-to-day monitoring and analysis of the major and related risks under their management<br>• The risk management unit prepares risk management reports based on risk monitoring information and makes cross-departmental recommendations on significant changes in risks<br>• The risk management unit supervises and assesses the risk control at all functional units and subsidiaries and the effectiveness thereof |

## Control Environment

Maintaining a high standard of control environment has been a top priority of the Company. Hence, the Company has been dedicated to continuous enhancement and improvement of control standard. The Board recognises the importance of integrity, character, operating philosophy and team building capabilities (the overall quality of staff) and other core values of the management, and has drawn up guidelines on the internal control system to ensure that the Group's objectives are achieved and discrepancies can be detected with effective rectification adopted.

The management is primarily responsible for the design, implementation and maintenance of a sound internal control system for the Company, with a view to safeguarding the interests of shareholders and the assets of the Company. The internal control system covers all major and material control aspects, including financial, operational, environmental, social and governance, compliance and risk management, etc.

The Board is ultimately responsible for the effectiveness of the internal control and risk management systems of the Company. The Risk Management Committee, a committee under the Board, is delegated to assist the Board in identifying and minimising the operational risks of the Company, determining the direction for the risk management strategies and strengthening the risk management system of the Company. The Risk Management Committee followed up and reviewed the results of internal control and risk management assessment during the year, with regular reporting and discussion. Moreover, the Audit Committee assists the Board in reviewing the effectiveness of the internal control and risk management systems twice a year by scrutinising the underlying mechanism and functioning of the internal control and risk management systems and the relevant written reports. Results of the review are submitted to the Board.

With a view that a controlled environment lays the foundation for other components in the internal control system, the Company has defined its overall business structure and compiled an instruction manual to supervise the business processes and activities involved therein. Apart from establishing an effective internal control system, the Company attaches great importance to the conduct and qualifications of its accounting, internal audit and financial reporting personnel, as well as personnel in relation to the Company's environmental, social and governance performance and reporting and has imposed relevant requirements in that regard.

## Assessment of and Measures against Risks

The Company attaches great importance to risk assessment for 2025. Under the unified planning of the management, the Legal & Compliance Division of the Company has formed a risk assessment project team with external experts to jointly conduct risk assessment. The specific implementation process is as follows:

The Company's management representatives and all department heads have participated in the risk assessment. A profound and thorough analysis of the businesses involved in future operation and development was carried out through interviews and questionnaires. Based on the interviews with the Company's leadership and department heads on risks, as well as the results of the risk assessment questionnaire survey, the Company established its 2025 risk classification framework and risk database, including 5 first-level risks, 47 second-level risks, and 135 third-level risks. The top five major risks identified for the Company for 2025 were risks relating to international geopolitics, international macroeconomy, overseas business, information system and data security, and talent reserve.

On the basis of annual risk assessment, the Company regularly tracks and monitors major risks, and monitors risk events in operation through various forms and dimensions such as business seminars, collaborative linkages, and a timely reporting mechanism for risk events. In case of major risk events, management will be notified immediately. At the same time, major risk tracking and monitoring forms are prepared every quarter, with various risk prediction and response work performed accordingly, so as to reduce major business risks.

| Type of Risk | Description of Risk | Major Countermeasures | Risk Trend |
|---|---|---|---|
| **Risks relating to international geopolitics** | • The local instability around the globe has increased significantly due to the impact of various geopolitical factors, such as the continuous escalation of the Israeli-Palestinian conflict, the deterioration of the Russian-Ukrainian war, and the aggravation of tensions in the Korean Peninsula. The escalation of the aforesaid conflicts will most likely lead to the forced closure of certain key ports, disruption of regional shipping routes, vessel detours and disorganised route scheduling, which will in turn aggravate port congestion, seriously disrupt the normal loading and unloading of cargoes, affect transportation efficiency, and may also trigger a knock-on effect regarding the global supply chain. With respect to geopolitical policies, as President Trump begins a term in early 2025, his administration has swiftly launched a series of tough policies against China, further aggravating the trade tensions between China and the U.S. Recently, the Trump administration announced a 10% tariff increase on goods from China, and some goods from mainland China and Hong Kong would no longer benefit from the "dutyfree de minimis exemption" for shipments with a retail value of US$800 or less. In addition, the U.S. government has also strengthened its efforts to combat low-cost customs clearance, and introduced new rules to strictly limit re-export trade, especially for goods from China transshipped through third countries such as Southeast Asia. In his public speeches, Trump has repeatedly emphasised that he will take more measures to reduce economic dependence on China, including promoting the return of manufacturing industries, restricting Chinese companies from investing in the U.S., and strengthening export controls on high-tech products from China. The implementation of these policies has led to a further escalation of trade friction between China and the U.S. The Port enterprises are facing a significant increase in market uncertainties and trade barriers, with far-reaching impacts on the global supply chain. | • Continue to monitor trends in geopolitical wars and policy changes, establish a special team responsible for geopolitical information collection, risk prevention and control, make full use of information resources such as news media, government announcements, reports of international organisations and reports of professional consulting firms, and conduct forward-looking studies on the policy changes of key countries and hotspot regions to identify potential geopolitical risks in a timely manner and formulate scientific and reasonable countermeasures.<br><br>• Take geopolitical risk factors into full consideration when making investment decisions on major overseas projects, and implement full-process risk management from project preparation, execution to subsequent evaluation; carry out comprehensive and detailed due diligence at the pre-project stage, covering various dimensions such as political stability, legal framework, social and cultural characteristics and economic conditions of the project sites; implement a real-time monitoring mechanism during the project implementation process to promptly respond to possible risk signals and take effective measures to minimise the exposure of the Company to risks. | ↑ |

| Type of Risk | Description of Risk | Major Countermeasures | Risk Trend |
|---|---|---|---|
| | • The Company has continued to optimise its global terminal deployment based on its global development objectives. However, the complex international environment and changes in economic and trade policies have increased the uncertainty of overseas investments, and may exert a far-reaching impact on the Company's terminal investment decisions, operational efficiency and financial performance, which may in turn lead to disruptions in operations, delays in projects, or worse-than expected investment returns. | • Focus on the whole-chain development of "shipping + ports + logistics" to build close relationships between shipping companies and terminal operators, strengthen the interconnection and intercommunication between hub ports and gateway ports, and continue to improve the deployment of global port resources. Actively capture the opportunities in emerging markets, regional markets and third country markets of the Regional Comprehensive Economic Partnership, explore investment opportunities in key hub ports and core supply chains behind terminals, and continue to promote digitalised supply chains and the sustainable development of green, low-carbon, and smart ports to enhance the Company's hard skills on risk prevention.<br><br>• Prevent and control geopolitical risks through localised operations and joint ventures. For overseas investment projects, strengthen the participation of local personnel in operation and management to better understand and adapt to the local business environment, market demands and cultural differences. The Company should actively seek to establish strategic partnerships with local governmental organisations and internationally renowned financial institutions to enhance policy synergies and support through the establishment of common interests, promote resources integration and complementary advantages, and achieve a mutually beneficial and win-win situation. | |

## Corporate Governance Report

| Type of Risk | Description of Risk | Major Countermeasures | Risk Trend |
|---|---|---|---|
| **Risks relating to international macroeconomy** | • Negative factors such as intensifying geopolitical tensions, rising trade protectionism, and the risk of delinking supply chains and industrial chains have aggravated the uncertainty and instability of the international economic and trade situation. The Trade and Development Report 2024 released by the United Nations Conference on Trade and Development indicated that the global economy would enter a new normal of slow growth in the coming years, with an expected growth rate of only 2.7% in 2024 and 2025. Under the current headwinds in the global economy and the resurgence of trade protectionism, the World Trade Organisation (WTO) has recently lowered its forecast for global merchandise trade growth in 2025 to 3% from the previous forecast of 3.3%, reflecting the increasing complexity and uncertainty of the global economic environment in 2025. As a "barometer" of macroeconomic development, a slowdown in the growth rate of port traffic may affect the long-term plans of terminal investments and operations, and the uncertainty of future operations will increase significantly, thereby increasing the difficulty of operations and management. | • Continue to promote the construction of smart and automated ports. Improve port loading and unloading efficiency, optimise cargo structure, enhance service quality and efficiency through the introduction of Internet of Things, big data, artificial intelligence and other technologies with the aim of increasing port traffic, promoting reasonable growth in loading and unloading rates, and ensuring sustainable profit growth of the Company.<br><br>• Strengthen cooperation with governments, industry associations, sister companies within the COSCO SHIPPING Group system and local enterprises to jointly respond to and share risks, and enhance the Company's market competitiveness through technological innovation, market development and collaborative partnerships.<br><br>• Expand a wide range of businesses, such as logistics, trade and finance, and seek new growth points to reduce reliance on a single market or trade route. Actively seize the opportunities arising from the development of the "Belt and Road" strategy, keep an eye on the economic policies and development of countries and regions along the "Belt and Road", and capture the new business opportunities arising from the development of the Asia-Pacific market, so as to further consolidate and enhance the Company's market competitiveness.<br><br>• Strengthen risk prevention and response capabilities, track global economic and trade dynamics in real time, conduct regular risk assessments, and formulate corresponding countermeasures and contingency plans in response to different levels of economic and trade policy restrictions, so as to ensure prompt resumption of normal operations in the event of unforeseen incidents and the protection of the Company's rights and interests. | ↑ |

| Type of Risk | Description of Risk | Major Countermeasures | Risk Trend |
|---|---|---|---|
| **Risks relating to overseas business** | (1) **Risks relating to overseas business compliance.** In the face of the severe overseas business and regulatory compliance environment, the Company's lack of in-depth understanding of, or has deviations from, the political environment, economic conditions, business practices and legal systems of the target countries may result in the Company's overseas business activities in violation of the local laws and regulations, international agreements or other regulatory standards, subjecting the Company to sanctions or penalties, causing the Company to suffer economic losses and reputation damage, as well as affecting the efficiency of business operations and the achievements of strategic plans. | • Continue to improve the compliance management system and database of domestic and overseas laws and regulations, and strictly monitor and evaluate the compliance of various international businesses of the Company. Regularly conduct comprehensive compliance risk assessments of project sites and gain an in-depth understanding of the political situation, economic situation and legal framework of the project sites to ensure that all business activities are in strict compliance with local laws and regulations. Regularly organise compliance training courses to enhance the awareness and understanding of all employees with respect to the importance of compliance, and provide employees with professional compliance consulting services. | ↑ |

| Type of Risk | Description of Risk | Major Countermeasures | Risk Trend |
|---|---|---|---|
| | (2) **Risks relating to overseas labour management.** In recent years, the scope and impact of overseas labour strikes has continued to increase. For example, on 1 October 2024, approximately 45,000 terminal workers at 36 ports along the U.S. East Coast and Gulf of Mexico went on strike due to a breakdown in negotiations over new labour contracts as a result of salaries and other issues, leading to the shutdown of port operations. A large number of vessels were forced to anchor outside U.S. ports and were unable to load or unload cargoes on time. Chinese companies investing overseas often hire a combination of local employees and technicians dispatched from their Chinese parent companies. For sophisticated technology positions that require immediate production, the dispatch of experienced technicians is necessary due to the difficulty of relying entirely on local training of new skilled workers, especially for port investment projects, which have a long payback period and often require enterprises to enter into long-term labour contracts with workers in key production and service positions, such as terminal operators. This type of long-term contracts not only involve the issue of "unfixed-term" labour contracts, but also a series of additional obligations such as social insurance, ancillary benefits, pension, etc. Long-term labour relations can easily lead to the formation of groups of local workers, which can increase the pressure of strikes and collective bargaining. As the Company continues to carry out overseas investments, the risk of strikes by terminal workers in overseas ports continues to increase. If the Company fails to properly handle overseas labour relations, prepare emergency plans and strengthen risk control in a timely manner, it may lead to port congestion, backlog of large quantities of cargoes, delays in transportation and other undesirable consequences that affect the operation and management of terminals. | • Strengthen labour relations management, establish a permanent communication mechanism with labour unions and employee representatives, and accurately understand the needs of employees in a timely manner. Collect and analyse employee feedback through various means, such as seminars and questionnaire surveys, actively respond to their reasonable demands, and strive to improve the working environment and conditions so as to enhance employees' satisfaction and sense of belonging. Deepen the cooperation and information sharing mechanism among international ports, pay special attention to the exchange of information on labour's actions and strike risks, identify potential risks in advance, and take effective preventive measures. Actively participate in various activities organised by industry associations, keep abreast with industry development trends, learn from best practice cases, and explore solutions by pooling collective wisdom, so as to effectively mitigate the impact of strikes on port operations, and ensure business continuity and stability. | |

| Type of Risk | Description of Risk | Major Countermeasures | Risk Trend |
|---|---|---|---|
| | (3) **Risks relating to public relations management of overseas projects.** In recent years, the complexity and challenges of public relations management of overseas projects have increased due to the Company's continuous efforts in the investment in and construction of overseas terminals. Any minor operational errors, environmental issues or labour disputes may be magnified by the media, which in turn may lead to negative public sentiment and pressure from public opinions. Take CSP Chancay Terminal as an example, there were false allegations during its construction stage that it posed a potential threat to the development of the local fishing industry. Under such background, there is a risk that certain forces may take advantage of this opportunity to intensify public opinion pressure by exaggerating facts and negative publicity. Therefore, if the Company fails to establish an effective communication mechanism with all stakeholders in a timely manner, proactively investigate and resolve the potential risks arising from public opinions, and formulate and implement an emergency response plan, the reputation of the Company and the image of CSP Chancay Terminal may be directly jeopardised, which may lead to obstacles to the operation and affect the sustainable and healthy development of the Port. More seriously, failure to effectively control and continuous dissemination of the negative public opinions may trigger extreme events such as terrorist attacks and strikes, resulting in economic losses and personnel injuries, which will seriously affect the long-term and stable development of the Company. | • Improve the risk alert and report handling mechanism. In view of possible risks, such as poor communication among partners and deterioration of public relations, design key risk monitoring indicators to enable the overseas management team to monitor terminal operations, finance, safety and other risk control situations in a timely manner, in an attempt to further improve the risk reporting and handling channels, and actively allocate the Company's resources to assist in solving the problems by the management department under which the risk is attributed. Further strengthen the public relations maintenance mechanism, actively construct communication channels among shareholders, investors and partners to share important information such as overseas terminal operation and management information, strategic control measures and financial status in a timely manner, and alert the risks and potential dangers in the process of overseas operation and management to strengthen cooperation and mutual trust. | |

| Type of Risk | Description of Risk | Major Countermeasures | Risk Trend |
|---|---|---|---|
| **Risks relating to information system and data security** | • Many ports around the world have suffered hacking attacks on networks. Hacking attacks have become more frequent due to the widespread use of information systems. Relevant reports disclosed that each shipping company had experienced a shipping cybersecurity incident every five days on average in 2024, and each company had experienced approximately 65 to 80 system information leaks or ransom threats annually.<br>• The network of ports faces various types of attacks, including ransomware attacks, distributed denial-of-service (DDoS) attacks, malware intrusions, spear phishing, and credential-gathering attacks. These attacks, if successful, could exert a widespread and profound negative impact on ports. | • Continue to improve the information system and data security management mechanism. Further review whether the relevant regulations on network information security management are sound, including but not limited to the improvement of password policy, the use and control of antivirus software, network security troubleshooting and testing, security risk reporting mechanism and network security management emergency plan; require each information system to be installed with appropriate software and firewalls, update virus databases and patches, check for and eliminate equipment viruses, and restrict the use of equipment and software of unknown origins by employees.<br>• Regularly carry out network security monitoring and formulate strict and regular inspection and rectification plans. For the Company's network environment, professional network security monitoring technology and software and network traffic analysis tools should be used to monitor network activities in real time, and check for hacker attacks, malware invasion and other abnormalities; conduct comprehensive verification of information systems and network security on a regular basis, such as network vulnerability checking, security configuration checking, etc., and promptly rectify and record any issues identified to form a sound security issue tracking mechanism. | ↑ |

| Type of Risk | Description of Risk | Major Countermeasures | Risk Trend |
|---|---|---|---|
| | • First of all, such attacks may paralyse the key operational systems of the ports and directly interrupt the normal operations of the ports. This not only affects the efficiency of the ports themselves, but also exerts an impact on the entire logistics and supply chain, resulting in serious economic consequences. The costs of restoring damaged systems, possible ransom demands, and loss of business due to reputation damage may lead to a heavy economic burden. Secondly, attacks on port security systems, such as surveillance cameras and access control systems, increase the risk of physical security threats, as well as the likelihood of illegal activities such as smuggling and theft. In addition, given that the ports handle a large amount of sensitive information, including customer data, cargo details and financial information, a cybersecurity incident may result in data leakage, posing a risk of privacy infringement to the parties concerned and potentially violating the laws and regulations on data protection. The exposure of a major cybersecurity incident will damage the image of the ports, erode customer trust and affect market competitiveness. Moreover, enterprises that fail to protect data properly will be subject to legal liability and fines. | • Clearly define the requirements for data backup and access. Formulate backup strategies according to data characteristics, adopt multiple backup methods and conduct regular testing to ensure data recovery; emphasise information equipment protection and access control, check data access rights on a regular basis, close non-essential access rights in a timely manner, continuously monitor data access sites, be alert to abnormal access sites, and launch timely countermeasures according to the contingency plans. | |

| Type of Risk | Description of Risk | Major Countermeasures | Risk Trend |
|---|---|---|---|
| **Risks relating to talent reserve** | The demand for specific talent in the labour market has increased due to the changes in industrial structure, the vertical expansion of the industry and the development of cross-regional economy, resulting in continuous scarcity of talent. The demand for inter-disciplinary talent is also increasing as the Company continues to optimise its global terminal network. In the event of an insufficient reserve of talent for important positions, it may not be able to meet the needs of the Company's business development. At the same time, due to the combined effects of multiple factors such as internal integration within the Group, coordination of the offices of the two headquarters across regions, demand for specialised talent overseas, and limitations on the total salary and staffing, there may be an imbalance in the structure of human resources as well as difficulties in the introduction and development of talent, which may lead to difficulties in the achievement of the Company's strategic objectives or inefficient advancement. Failure to formulate a fair and reasonable mechanism for talent introduction, or failure to establish career development paths for the employees of the terminals in which the Company has controlling stake may result in the failure to achieve the Company's strategic objectives regarding the establishment of a reserve talent echelon. | • Optimise the structure and allocation of human resources, continuously monitor the quarterly completion rate of recruitment requirements, conduct regular analysis on human resources needs, identify talent gaps and future needs for each position, and commence targeted talent reserves establishment and recruitment. Establish a cross-regional coordination mechanism to ensure the flow of information and sharing of resources among functional departments, and improve the flexibility and efficiency of talent allocation.<br>• Improve the remuneration, incentives and employee benefits system by setting up a competitive remuneration system to ensure that the remuneration level can attract and retain high-quality talent, especially in key technical and management positions. Provide flexible employee benefit options, including career development support, health protection and work-life balance, to enhance employee satisfaction and loyalty.<br>• Construct a synergistic and win-win human resource management ecosystem through reasonable implementation of cross-departmental job rotation and internal competitive recruitment system, improve employee satisfaction and performance, and create strong momentum for the sustainable development of the Company. | → |

Regarding environmental, social and governance risks, after joint assessment with external experts, the Company's management believes that there are two material risks in this aspect as below:

| Type of Risk | Description of Risk | Major Countermeasures | Risk Trend |
|---|---|---|---|
| **Risks relating to climate change and energy transition** | • With global investment in clean energy technologies and infrastructure estimated at US$2 trillion in 2024, almost double that of fossil energy, the transition to a low carbon economy is unstoppable. The United Kingdom, Brazil and the United Arab Emirates submitted new and more ambitious Nationally Determined Contributions (NDCs) at COP29, and China and the other Paris Agreement signatories will submit new 2035 NDCs with initiatives in early 2025. At the same time, significant progress has been made in establishing the global carbon trading mechanism, enabling parties to enhance their cooperation in reducing national carbon emissions more efficiently. The new carbon reduction targets may pose challenges to the terminals in terms of energy restructuring, energy conservation and emission reduction.<br><br>• As of the end of October 2024, among the 62 existing global green shipping corridor initiatives, 15 are related to the container green shipping corridor initiative, with methanol, electricity, and ammonia fuel pathways ranking as the top three choices. New orders for methanol-fueled ships have exceeded 200, and the 'Zero Emission Maritime Buyers Alliance' initiative, jointly launched by cargo owners, demands that shipping companies use near-zero emission fuels for transporting goods, significantly boosting the demand for green shipping fuels. In the future, this may lead shipping companies to have higher demands for green supporting facilities and fuels at port terminals. | • The Company released the COSCO SHIPPING Ports' Green and Low-Carbon Transition and Development Plan, focusing on key areas such as the Company's green and low-carbon energy transformation, resource conservation and efficient utilisation, green and low-carbon infrastructure construction, digital and intelligent enhancement, and innovation in green and low-carbon technology. This plan aims to actively participate in the low-carbon transformation and constructing green, low-carbon and mart ports.<br><br>• The Company has conducted scenario analysis on future climate transition risks and opportunities, analysing a number of key factors such as the deployment of clean energy, decarbonisation of terminals driven by electrification, improvement in energy efficiency and management, carbon pricing mechanism, and fluctuations in energy costs, and identified significant transition risks and opportunities. To proactively address to the future trend of low-carbon transformation, the Company strives to adapt to future challenge and has initiated a feasibility study on the supply of green maritime fuels to ships during the year. This forward-looking initiative aims to capitalise on the challenges and opportunities presented by the low-carbon transition, so as to turn crises into opportunities and to promote the sustainable development of the Company. | ↑ |

| Type of Risk | Description of Risk | Major Countermeasures | Risk Trend |
|---|---|---|---|
| | | • The Company is committed to continuously strengthening the process of building smart, green and low-carbon ports. This year marked the successful launch of the first automated port in South America, CSP Chancay Terminal in Peru. With advanced equipment such as electric driverless container vehicles and automated gantry cranes, CSP Chancay Terminal has set an example of an smart port driven by green and low-carbon features as its core driving force. At the same time, the Company further expanded the application of renewable energy and widely adopted driverless electric vehicles and shore power systems to actively promote the implementation of energy conservation and emission reduction efforts. In addition, the hydrogen-powered container vehicles and forklift conversion project was launched at Tianjin Container Terminal, marking a new milestone in the Group's exploration and practice in the field of green, low-carbon new energy sources.<br><br>• The Company has launched the world's first "CSP Port Digital Twin Integrated Energy Management Platform", which is highly coupled with "Energy Management" and "Digital Twin" technology to implement green and low-carbon solutions. During the year, CSP Wuhan Terminal achieved significant results in its pilot program, and the Company will further extend this platform to all of its subsidiary terminals. | |

| Type of Risk | Description of Risk | Major Countermeasures | Risk Trend |
|---|---|---|---|
| **Risks relating to extreme weather and climate events** | World Meteorological Organization confirms 2024 as warmest year on record at about 1.55°C above pre-industrial level, glacier loss, rising sea levels, and ocean warming are all accelerating; and extreme weather is causing severe damage to societies and economies around the world. The World Economic Forum's Global Risks Report 2024 analyzes the world's top five risks over the next 2-10 years, including challenges posed by extreme weather and climate events, biodiversity loss and ecosystem collapse, and natural resources shortage. In 2024, a series of extreme weather and climate events including the deadly Hurricane Helene, wildfires in the Amazon, extreme monsoon rains in India, and most severe flooding in decades in Spain, unusual heavy rains in Afghanistan and Pakistan leading to flash floods, not only highlighted the increasing severity and frequency, but also posed a long-lasting and significant threat to coastal and low-lying areas. Given that the terminals are located in coastal areas and the Company's terminal network has global coverage, including regions prone to extreme heat or vulnerable to flooding and typhoons, the intensification of extreme weather climate events may pose higher risk to the safety operation of terminals. | • The Company has conducted climate scenario analyses for all domestic and overseas subsidiary terminals and container freight stations, identifying three key physical risks. flooding, typhoons and extreme heat.<br><br>• During the year, the management policies related to extreme weather and climate events were revised and improved, including the "Typhoon and Flood Prevention Management Regulations" and the "Comprehensive Emergency Response Plan for Environmental Emergency", enhancing the response capability to extreme weather disasters, ensuring the safety of personnel, equipment and facilities, and effectively minimise the impacts of extreme weather on the Company's production and operation.<br><br>• During the year, the Group strengthened the typhoon and flood prevention equipment and facilities to ensure their normal operation, while urging the subsidiary terminals to take proper measures against typhoons, extreme heat and cold weather, as well as organising and carrying out various emergency drills to improve the response and handling capacity for unexpected events.<br><br>• After extreme weather events, inspection of the equipment and facilities are conducted before resuming operations, so as to avoid accidental failure of equipment and facilities affecting production and personnel safety. | ↑ |

The report regarding risk management and internal control of the Company for 2024 was approved by the Risk Management Committee and the Audit Committee and submitted to the Board for review, forming the basis for the Board's assessment of the effectiveness of the risk management and internal control systems for the year 2024.

## Internal Control System and Mechanism

The Company invited external consultants to evaluate the effectiveness of internal control as at 31 December 2024. Pursuant to the accreditation standard on internal control weaknesses, no material weaknesses nor important weaknesses on the internal control of the Company were identified during the reporting period. The features of the Company's internal control mechanism are as follows:

1. The Group has a clear organisational structure in place detailing the lines of authority and control responsibilities in each business unit, which is beneficial for the delegation of authority, proper determination of duties and better accountability. Certain specific matters are not delegable and are subject to the Board's decision. These include, among others, the approval of annual, interim and quarterly results, annual budgets, distribution of dividends, as well as the structure, composition and succession of the Board.
2. To assist the Board in the execution of its duties, the Board is supported by seven Board committees, namely, the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Environmental, Social and Governance Committee, the Investment and Strategic Planning Committee and the Risk Management Committee. These committees make recommendations to the Board on relevant matters within their terms of reference, or make decisions where appropriate within the scope of the power delegated by the Board. Details of the Board committees are set out in the section headed "Board Committees" in this report.
3. A comprehensive management accounting system is in place that provides financial and operational performance measurement indicators for the management and relevant financial figures for reporting and disclosure purposes. Reports on the variance between actual performance and targets are prepared, analysed and explained. Appropriate actions are also taken to rectify the deficiencies identified, if necessary. This helps the management of the Group to monitor business operations closely and enables the Board to formulate and, if necessary, revise strategic plans in a timely and prudent manner.
4. The Company places great importance on internal audit functions and has set up the Audit & Supervision Division for the relevant work. The internal audit's roles include assisting the management and the Audit Committee to ensure that the Company maintains an effective system of internal control and a high standard of governance, by reviewing the Company's major production and operation activities with unrestricted access and conducting comprehensive audits on all practices and procedures on a regular basis. The scope of work of internal audit includes:
    - Ascertaining the extent to which the Company's assets are accounted for and safeguarded to avoid any form of asset loss
    - Reviewing and evaluating the completeness, adequacy and effective application of accounting, financial and other controls in the Company
    - Ascertaining the compliance with established policies, procedures and statutory regulations
    - Monitoring and evaluating the effectiveness of the risk management system
    - Monitoring the operational efficiency, and the appropriateness of resources utilisation
    - Evaluating the reliability and availability of the information provided by the financial and operating systems of the Company
    - Ensuring that findings and recommendations arising from the internal audit are communicated to the management, and monitoring the implementation of corrective measures
    - Conducting ad hoc projects and investigation work as required by the management and/or the Audit Committee

5. The Company has established the "Whistleblowing Management Rules" and system which is applicable to the Group, so as to allow all members (including directors, senior management and employees at all levels) or any member of the Group or other persons having any dealings with the Group (such as customers and suppliers) may report, with name or anonymity, any illegal, unethical practices or irregularities in the operation and management of the Group to the Chairman of the Audit Committee or the Audit & Supervision Division of the Company. The Company shall provide a confirmation of receipt within 15 working days, or wherever reasonably practicable, upon receipt of a reasonable whistleblowing report, to request for further information or evidence (if necessary), and where appropriate, status of the investigation. Based on the results of the investigation and the seriousness of the violation, member(s) who are found in violation of the rules and regulations shall be subject to strict disciplinary actions in accordance with the applicable rules. Where the responsible person is in violation of local laws or regulations, the Company shall refer the case to the judicial authority and pursue legal responsibilities. The Whistleblowing Policy is set out in the section headed under "About CSP – Corporate Governance – Policies and Guidelines" at the Company's website (https://ports.coscoshipping.com).
6. The Company has established the "Anti-corruption Rules" which aims at upholding honesty, integrity and fairness for all members the Group. Such rules set out essential basic behaviours that all members must follow, and the principles for receipt of interest and report on conflict of interest. Any member who violates these Rules shall be investigated and treated in a strict manner in accordance with the relevant internal regulations of the Company or subsidiary companies. In order to promote and support anti-corruption, both the Company and its subsidiaries promote a corporate culture that promotes honesty and integrity. The directors and management of the Company and its subsidiaries shall insist on leading by example and take the lead in action to comply with the laws, regulations and rules of the Company and the subsidiaries. At the same time, members are encouraged to abide by the laws and the ethical conducts during daily work of the Company, and to assist members in dealing with conflicts of interests and resisting temptation of improper benefits in a proper manner during the course of work. Regular trainings on clean practices are held to further enhance corporate integrity management and promote the establishment of a non-corrupt working culture. The Anti-corruption Policy is set out in the section headed under "About CSP – Corporate Governance – Policies and Guidelines" at the Company's website (https://ports.coscoshipping.com).
7. With respect to procedures and internal control measures for the handling and dissemination of inside information, the Company:
   - is well aware of its obligations under the Securities and Futures Ordinance, the Listing Rules and the overriding principle that information which is considered as inside information should be announced promptly when it is the subject of a decision
   - conducts its affairs with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission
   - informs all directors, senior management and related staff of the latest regulations and requirements according to the letters issued or announcements published by the Securities and Futures Commission and the Stock Exchange
   - has developed procedures and mechanisms for the disclosure of inside information, and established the Inside Information Evaluation Group to evaluate whether disclosure of the inside information is required

- has included in its Code of Conduct strict prohibition on unauthorised use of confidential, sensitive or inside information, and has communicated this to all staff
- has established and implemented procedures for responding to the enquiries from external enquiries about the Company's affairs. Only directors and designated management personnel of the Company may act as the Company's spokespersons and respond to enquiries on designated areas

Particular attention is also paid to activities which are considered to present higher risks under monitoring, including income, expenditure and other areas of particular concern to the management. Representative of the Audit & Supervision Division has free access to the Audit Committee without consulting the management, and reports directly to the Chairman of the Board and the Managing Director and the Chairman of the Audit Committee. He attends meetings of the Audit Committee quarterly and brings matters identified during the course of the internal audit to the Audit Committee. This reporting structure allows the Audit & Supervision Division to stay independent and effective.

The internal audit function has a risk-based audit approach in place which is based on the COSO framework and the requirements laid down by the HKICPA, with multiple factors taken into account such as the risks recognised. Such audit focuses on material internal controls and risk management, including financial, operational and compliance controls. Internal audits were carried out on all significant business units in the Company. All internal audit reports are submitted to the Audit Committee for review and approval. The Audit & Supervision Division's summary of findings, recommendations and follow-up reviews of previous internal audit findings are discussed at the Audit Committee meetings. The Audit Committee actively monitors the number and importance of issues raised by the Audit & Supervision Division and also the corrective measures taken by the management. The annual internal audit plan will be submitted to the Audit Committee for review and approval, with the scope and frequency of audit based on the size and prevailing risks of all business units of the Company.

## Supervision and Improvement

The Company supervises and evaluates the implementation and effectiveness of its risk management on a regular basis, and makes timely improvements based on changes and existing defects. Based on the risk assessment results in 2024, the Company monitors the changes in major risk monitoring indicators and new major risk events regularly on a quarterly basis, collects and summarises relevant data for the current quarter. The risk monitoring and warning indicators collected including but not limited to total overseas assets in medium and high risk areas, number of major construction projects overdue, major legal proceedings, major compliance cases, accounts receivables aged three years or more, overdue accounts receivables, the number of major safety production accidents and other risks resulting in significant impact on the operation and development of the Company. According to statistics, the Company's risk monitoring and warning indicators in 2024 was normal, and there were no significant risk events.

In 2024, the Company revised the "Compliance Management Rules" in accordance with the requirements of the parent company, establishing a compliance management system that aligns with the Company's actual conditions. This system is guided by compliance, achieving a coordinated and integrated operation with legal management, policy management, internal control, and risk management. The Company appointed the General Counsel as the Chief Compliance Officer, successfully completing the appointment process within the year. The establishment of the Chief Compliance Officer position has strengthened leadership and execution in compliance management, fostering the development of a compliance culture and marking a significant milestone in building a robust compliance management system. Additionally, the Company revised the "Risk Management and Internal Control Management Rules", refining the responsibilities within the internal control and risk management organizational structure. The content and processes of the risk management system were detailed, emphasizing the importance of managing overseas risks. The Company also developed guidelines for the compliance review of major decisions, enhancing the standardization and professionalism of compliance review work. Efforts were made to accelerate the digitalization of compliance management, aiming to construct and implement a comprehensive compliance management mechanism that is clear in responsibilities, efficient, and effective.

The Company strictly implemented the directives from the parent company, fully considering changes in the external environment and actual conditions. It compiled and published the "Compliance Risk List", "Key Process Control List" and "Compliance Position Responsibility List", focusing on key areas, critical links, and core personnel. A tiered and categorized approach was adopted to promote implementation, effectively preventing compliance risks.

In November 2024, the risk management unit conducted a comprehensive evaluation of the Company's internal control operations. The results indicated that the internal control system was functioning effectively.

The audit projects for 2024 covered 12 terminals, including 7 terminal companies in which the Group has controlling stakes. The audit carried out in the terminal companies in which the Group has controlling stakes focused on major risks during operations, the establishment and implementation of internal control, risk prevention and control mechanism, including the implementation of decision-making systems such as "three majors and one major", and the implementation and advancement of lean operations and cost control, etc. The audit carried out in non-controlling terminals focused on returns on investments, assets management and significant capital expenditures, etc.

During 2024, the internal audit division completed a total of 13 audit assignments. All the internal audit reports were reviewed and approved by the Audit Committee. All internal audit work scheduled for the year 2024 was completed. The management of the Company will follow up with all the matters of concern reported by the internal auditors till corrective measures have been adopted and implemented properly.

The Board has obtained the management's confirmation that the Company's risk management, internal control and accounting systems were effective, which provide reasonable assurance for safeguarding significant resources, identifying and monitoring the Company's risks in commercial, environmental, social and governance and operational perspectives. At the same time, the Company has established an ongoing process for identifying, evaluating and managing the Company's exposure to material risks (including material risks relating to environmental, social and governance). In this regard, the Board considered that the risk management and internal control systems established during the year were effective and adequate for the Company's existing business scope and operations and that no significant factors have been identified which might affect the interests of shareholders. However, the systems aim to manage but not eliminate the risks relating to failure to achieve business objectives, and the Board will only give reasonable but not absolute assurance against material misstatement or loss.

## INSTITUTIONAL DEVELOPMENT ON LEGAL GOVERNANCE

The Company is committed to achieving the highest standards of legal governance, demonstrated through strict adherence to all laws and regulations and the effective implementation of strategies designed to strengthen and promote its governance framework. The relevant work is coordinated and implemented by the Legal & Compliance Division of the Company. Meanwhile, the Board and the Audit Committee review the legal governance report on a bi-annual basis to ensure the effective, orderly and thorough implementation of the institutional development on legal governance. In 2024, the Company continued to enhance its legal governance, internal rules, work organisation and legal risks prevention and control systems by implementing the following measures: (1) provided compliance trainings to its employees to enhance compliance awareness; (2) strictly implemented major contract management, legal disputes management and international sanctions compliance management; (3) formulated compliance guidelines to identify, assess and mitigate legal risks associated with investment and financing projects; (4) established robust data privacy and cybersecurity policies for overseas terminals within the European Union to mitigate data protection risks and ensure compliance with the General Data Protection Regulation (GDPR); (5) enhanced risk prevention at overseas terminals by creating a legal and regulatory research database, and monitoring and staying abreast of legislative developments and updates; (6) continuously strengthened management of international sanctions compliance by closely monitoring updates in sanctions measures, issuing timely risk alerts on major sanctions lists and legislations, conducting bi-annual self-inspections and analysis and enhancing processes and measures for risk prevention and control; (7) organised legal risk screenings and assessments to proactively identify and address compliance vulnerabilities and enhance the Company's emergency response mechanism; and (8) actively engaged with external legal experts and advisors to review and enhance internal governance policies ensuring they remain up-to-date. During the year, the Company encountered no major risk events, and no significant incidents of non-compliance with laws or regulations occurred.

## AUDITOR'S REMUNERATION AND RELATED MATTERS

In addition to audit and audit related services, the Company engaged the external auditor for non-audit services, under which the external auditor is required to comply with the independence requirements under the Code of Ethics for Professional Accountants issued by the HKICPA. The external auditor may provide non-audit services to the Group given that those services do not involve any management or decision-making functions for and on behalf of the Group, no self-assessments are carried out, and that there is no promotional effect to the Group.

For the year ended 31 December 2024, the remuneration paid or payable in respect of the audit, audit related and non-audit services provided by the auditor to the Company was as follows:

| Nature of Service | **2024 US$** | 2023 US$ |
|---|---|---|
| Audit services | **936,000** | 1,015,000 |
| Audit related services | **277,000** | 289,000 |
| Non-audit services: | | |
| – Financial advisory services | **–** | 20,000 |
| – Tax related services | **73,000** | 173,000 |

## DIVERSITY

Status on Board diversity is set out in the section headed "Board Diversity Policy" above.

Regarding diversity in workforce (including senior management), as at 31 December 2024, male workers and female workers accounted for 83% and 17%, respectively, of the total number of workers of the Group.

As a leading ports operator in the world, COSCO SHIPPING Ports has an international team composed of members from different countries with different genders, age, cultural backgrounds, knowledge and professional experience. The Group pursues a gender diversity approach as part of its good management practices to ensure an inclusive workforce. In respect of staff recruitment, the Group has put in place established management rules and procedures to ensure meritocracy-oriented recruitment. During the recruitment process, the Group attracts candidates with different backgrounds and experiences based on the consistent selection criteria and according to the principle of meritocracy, regardless of gender, to ensure that only experience and qualifications are relevant to job requirements. In regard to the promotion, redesignation and training of staff, the Group has also established relevant administrative rules with clear criteria to provide employees with equal opportunities and ensure no subjectivity, differential treatment or discrimination is involved in such decisions. The Group also reviews the relevant administrative rules and criteria from time to time to ensure that the management of the Company is in compliance with the laws and regulations.

Due to the industry characteristics of port operation, male dominated the supply of manpower in traditional labour markets. Recently, the Group has continued to proceed and improve terminal automation. Being the first totally automated container terminal in China, Xiamen Ocean Gate Terminal has ridden on the achievement of remote control and introduced a team of female operators and set up the first fully automated "Women Team" in China, with a view of bringing female's strengths of meticulousness and rigour in modern workplace and their own potential into play, thus broadening the employment and promotion path for female in the port industry. The Group recognises that gender diversity not only enables better corporate development, but also allows for better commitment to social responsibility. Therefore, as we strive to build a terminal network with controlling stake, deepen lean operations and promote technological innovation, we continue to promote gender diversity within the Group to build a high performing and diversified team of excellence.

## SHAREHOLDERS' RIGHTS

### General Meeting

The Company views its general meetings ("General Meetings"), including the annual general meeting and special general meetings, as a forum for shareholders to communicate with the Board and senior management. All directors and senior management attend the meeting to the best of their availability. Representatives of external auditors are also available at the annual general meeting to address shareholders' queries on the financial statements. The Chairmen or members of the Audit Committee, the Nomination Committee and the Remuneration Committee or independent board committee (if any) are normally available at the General Meetings (where applicable) to take any relevant questions. All shareholders will be given at least twenty one (21) clear business days' notice of the annual general meeting and fourteen (14) clear business days' notice of a special general meeting and they are encouraged to attend the General Meetings. The Company follows the code provisions contained in the Corporate Governance Code to encourage shareholders' participation. Questioning by the shareholders at the General Meetings is encouraged and welcome. The Board Secretary, on behalf of the chairman of the General Meetings, explains the detailed procedures for conducting a poll at the General Meetings. To facilitate enforcement of shareholders' rights, substantially separate issues at General Meetings are dealt with under separate resolutions.

## Procedures for Shareholders to Convene a Special General Meeting

Pursuant to the Bye-laws of the Company and the Companies Act 1981 of Bermuda (the "Companies Act"), registered shareholders holding not less than one-tenth (10%) of the paid-up capital of the Company carrying the right of voting at General Meetings of the Company may deposit a requisition to the Board or the Board Secretary of the Company to convene a special general meeting.

The requisition must state the purposes of the meeting and must be signed by the requisitionists, and deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda or its principal place of business at 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong. The requisition may consist of several documents in like form each signed by one or more requisitionists.

The Board may proceed to convene a special general meeting within 21 days from the date of the deposit of such requisition upon receipt of confirmation from the share registrar on validity of the requisition, and such meeting shall be held within two months after the deposit of such requisition. If the Board fails to convene the special general meeting as aforesaid, the requisitionists or any of them representing more than one half of the total voting rights of all of them, may themselves convene a special general meeting, and such meeting shall be held within three months from the date of the deposit of the requisition.

## Procedures for Shareholders to Put Forward Proposals at the General Meetings

Pursuant to the Companies Act, registered shareholders holding any amount not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at the General Meetings of the Company, or registered shareholders of not less than 100, can request the Company in writing to:

- notify shareholders entitled to receive notice of the next General Meeting of any resolution which may officially be moved and is proposed to be moved at that meeting
- circulate to shareholders entitled to have notice of any General Meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at the meeting

The requisition must be deposited to the Company not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution or not less than one week before the meeting in the case of any other requisition.

In addition, a shareholder may propose a person other than a retiring director of the Company for election as a director of the Company at the General Meetings. Detailed procedures for shareholders to propose a person for election as a director are available on the Company's website at (https://ports.coscoshipping.com) under section headed "About CSP – Corporate Governance – Policies and Guidelines".

## SHAREHOLDINGS AND SHAREHOLDERS' INFORMATION

### Share Capital (as at 31 December 2024)

| | |
|---|---|
| Authorised share capital | HK$400,000,000 divided into 4,000,000,000 shares of a par value of HK$0.1 each |
| Issued and fully paid-up capital | HK$376,138,185.0 comprising 3,761,381,850 shares of a par value of HK$0.1 each |

### Type of Shareholders (as at 31 December 2024)

| Type of shareholders | No. of shares held | % of the total number of issued shares |
|---|---|---|
| China COSCO (Hong Kong) Limited and its subsidiary | 2,691,333,399 | 71.55 |
| Other corporate shareholders | 1,065,085,149 | 28.32 |
| Individual shareholders | 4,963,302 | 0.13 |
| **Total** | **3,761,381,850** | **100** |

### Location of Shareholders (as at 31 December 2024)

| Location of shareholders[1] | No. of shareholders | No. of shares held |
|---|---|---|
| Hong Kong | 444 | 3,761,370,257[2] |
| United Kingdom | 1 | 5,000 |
| The People's Republic of China | 1 | 4,000 |
| Canada | 1 | 2,593 |
| **Total** | **447** | **3,761,381,850** |

1 The location of shareholders is prepared according to the address of shareholders registered in the register of members of the Company.
2 These shares include 2,241,566,432 shares registered in the name of HKSCC Nominees Limited which may hold these shares on behalf of its clients in or outside Hong Kong.

## INVESTOR RELATIONS

The Company is committed to enhancing the long-term value of shareholders through constant communication with individual and institutional shareholders. The Company believes that informed and constructive communication between the Board and shareholders is crucial to improving the standard of corporate governance. The Company's Public Relations Division supports designated executive directors and senior management in maintaining regular dialogue with institutional investors and analysts to keep them abreast of the Company's development and in attending to any queries promptly. The Company maintained close communications with the media, analysts and fund managers by way of individual meetings, roadshows and conferences. Also, press and analyst conferences are held at least twice a year subsequent to the interim and annual results announcements at which the executive directors and senior management are available to answer questions regarding the Group's operational and financial performances.

## Memorandum of Association and Bye-laws

For the year ended 31 December 2024, no change has been made to the Memorandum of Association and Bye-laws of the Company.

## Shareholders' Communication Policy

The Company has established a shareholders' communication policy, which includes channels for shareholders to communicate their views (such as participation in general meetings, investor and analyst meetings), and measures taken to solicit and understand the views of shareholders and stakeholders (including active participation in investor meetings organised by other financial institutions and a designated e-mail address for shareholders' enquiries, etc.). The Company has adopted and implemented fair, transparent and timely disclosure policies and practices. All inside information or data is publicly released as and when appropriate, prior to individual sessions held with investors or analysts. The following is a summary of the work conducted in accordance with the shareholders' communication policy in 2024:

- communicated with institutional investors regularly
- held press conferences after financial results announcements
- disclosed detailed information in annual report, interim report, results announcements and press releases to facilitate effective communication
- published information of the Group and its business, including disclosing throughput figures of the Group's terminals at the Company's website on a monthly basis
- responded to enquiries to the Company from individual or institutional shareholders made through the abovementioned designated email address

The Board had considered the above works and was of the view that the shareholders' communication policy of the Company was effective.

## Key Corporate Event Dates

The following are the dates for certain key corporate events:

| Event | Date |
|---|---|
| Payment of 2024 First Interim Dividend | 21 November 2024 |
| 2024 Annual Results Announcement | 21 March 2025 |
| 2025 First Quarter Results Announcement | 29 April 2025 |
| Closures of Register of Members | |
| (a) for receiving the 2024 Second Interim Dividend | 8 April 2025 to 11 April 2025 |
| (b) for attending the 2025 Annual General Meeting | 15 May 2025 to 20 May 2025 |
| Annual General Meeting | 20 May 2025 |
| Payment of 2024 Second Interim Dividend | 12 June 2025 |
| 2025 Interim Results Announcement | August 2025 |
| 2025 Third Quarter Results Announcement | October 2025 |

# DIRECTORS AND SENIOR MANAGEMENT PROFILES

## DIRECTORS

**ZHU Tao**
*Chairman of the Board, Managing Director, Executive Director*

Mr. ZHU, aged 52, has been an Executive Director, the Chairman of the Board and the Managing Director of the Company since June 2024, and served as an Executive Director and the Managing Director of the Company between June 2022 and June 2024. He is the Chairman of the Executive Committee, the Investment and Strategic Planning Committee and the Risk Management Committee, and a member of the Nomination Committee, the Remuneration Committee and the Environmental, Social and Governance Committee of the Company. He is also an executive director and the deputy general manager of COSCO SHIPPING Holdings Co., Ltd. and a non-executive director of Qingdao Port International Co., Ltd. (both listed in Hong Kong and Shanghai). Mr. ZHU served as a business deputy manager and business manager of the Dispatching Division of the Liner Department of COSCO Container Lines Co., Ltd. ("COSCO Container Lines") (now known as COSCO SHIPPING Lines Co., Ltd. ("COSCO SHIPPING Lines")), deputy head of the Business Division of the Coastal Transportation Department of COSCO Container Lines, manager of the East and South China Operating Department of Sino-Japan Trade Division of COSCO Container Lines, deputy general manager and chairman of the Labour Union of Shanghai PANASIA Shipping Company Limited ("Shanghai PANASIA"), deputy general manager of Americas Trading Division of COSCO Container Lines, general manager of COSCO Container Lines (Netherlands) B.V., supervisor of the General Manager's Office of COSCO Container Lines, general manager and deputy party secretary of Shanghai PANASIA, and deputy general manager and member of the Party Committee of COSCO SHIPPING Lines, etc. Mr. ZHU graduated from Shanghai Jiao Tong University with a Master's Degree in Business Administration. He is an economist.

**MA Xianghui**
*Non-executive Director*

Mr. MA, aged 50, has been a Non-executive Director of the Company since June 2024. He is currently the general manager of the Finance and Accounting Division of China COSCO SHIPPING Corporation Limited ("COSCO SHIPPING"), chairman of the board and chairman of the Party Committee of COSCO SHIPPING Finance Co., Ltd. Mr. MA is also a director of COSCO SHIPPING Specialized Carriers Co., Ltd. (listed in Shanghai), a non-executive director of COSCO SHIPPING International (Hong Kong) Co., Ltd. ("COSCO SHIPPING International") (listed in Hong Kong) and a director of China State owned Enterprise Mixed Ownership Reform Fund Co., Ltd. He was the treasury manager of the Finance Division of China COSCO Holdings Company Limited ("China COSCO Holdings") (now known as COSCO SHIPPING Holdings Co., Ltd.), general manager of the Finance Division of COSCO International Holdings Limited (now known as COSCO SHIPPING International), business manager of the Strategy Implementation Management Office of China Ocean Shipping (Group) Company/China COSCO Holdings, deputy general manager of the Capital Management & Operation Division of COSCO SHIPPING, deputy general manager of COSCO SHIPPING International, vice president of COSCO SHIPPING (Hong Kong) Co., Limited, and a non-executive director and vice chairman of Qilu Expressway Company Limited (listed in Hong Kong). Mr. MA has extensive experience in finance, capital operation, investment, mergers and acquisitions, strategic planning, etc. Mr. MA graduated from China School of Banking and Finance, major in Investment Economics and Management and obtained a Master's Degree in Economics from University of International Business and Economics. He is a fellowship member of Association of Chartered Certified Accountant (FCCA) and senior accountant.


Mr. CHEN, aged 50, has been a Non-executive Director of the Company since December 2024. He is currently the general manager of Operation Management Division of China COSCO SHIPPING Corporation Limited. Mr. CHEN is also a director of COSCO SHIPPING Logistics & Supply Chain Management Co., Ltd., COSCO SHIPPING Logistics Co., Ltd., Shanghai PANASIA Shipping Co., Ltd., a director and a member of the executive committee of Orient Overseas Container Line Limited, and a director of Shanghai International Port (Group) Co., Ltd. (listed in Shanghai). Mr. CHEN had served in various capacities, including the assistant to manager and the deputy manager of container shipping division I of China Shipping Container Lines Co., Ltd. (currently known as COSCO SHIPPING Development Co., Ltd.), the assistant to general manager of China Shipping Container Lines (Hong Kong) Co., Ltd., the general manager of America Division of China Shipping Container Lines Co., Ltd., the assistant to general manager and deputy general manager of China Shipping Container Lines Co., Ltd, the deputy general manager of COSCO SHIPPING Holdings Co., Ltd., and the deputy general manager of COSCO SHIPPING Lines Co., Ltd. Mr. Chen graduated from Shanghai Maritime Academy with major in marine engineering management.


Dr. FAN, aged 79, has been an Independent Non-executive Director of the Company since January 2009. She is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Dr. FAN was appointed to the Legislative Council from 1983 to 1992 and was a member of the Executive Council from 1989 to 1992. She became the President of the Provisional Legislative Council in 1997, and has since been re-elected as the President of the First, Second and Third Legislative Council. Dr. FAN has served as the President of the legislature of the Hong Kong Special Administrative Region ("HKSAR") for 11 years. Dr. FAN was a member of the Preliminary Working Committee for the Preparatory Committee for the HKSAR from 1993 to 1995 and of the Preparatory Committee for the HKSAR from 1995 to 1997, and was the Chairman of the Board of Education from 1986 to 1989 and the Chairman of the Education Commission from 1990 to 1992. She was elected as a Hong Kong Deputy to the 9th, 10th, 11th and 12th sessions of the National People's Congress ("NPC") during 1998 to 2018, and was a Member of the Standing Committee of the 11th and 12th sessions of the NPC. Dr. FAN is currently an Independent Non-executive Director of The Bank of East Asia, Limited and was an Independent Non-Executive Director of China Overseas Land & Investment Limited. She is also the Chairman of Endeavour Education Trust and the Chairman of the Management Committee of the Endeavour Education Centre. She also serves as a non-official member of the Candidate Eligibility Review Committee and a member of the Supervisory Managing Organisation of Nina and Teddy Wang Charitable Trust. Dr. FAN was awarded the Gold Bauhinia Star and the Grand Bauhinia Medal in 1998 and 2007 respectively by the Government of the HKSAR.


Mr. LI, aged 51, has been an Independent Non-executive Director of the Company since May 2012. He is Chairman of the Audit Committee and Nomination Committee and a member of the Remuneration Committee of the Company. Mr. LI is Co-Chief Executive of The Bank of East Asia, Limited. He is an Independent Non-executive Director of two listed companies under the Sino Group (Sino Land Company Limited and Tsim Sha Tsui Properties Limited). All the above are Hong Kong-listed companies. Mr. LI is a member of the Shanghai Committee of the Chinese People's Political Consultative Conference, a non-official member of the Shenzhen-Hong Kong Financial Co-operation Committee and a Counsellor of the Hong Kong United Youth Association. He is Chairman of The Chinese Banks' Association, Deputy Chairman of The Hong Kong Institute of Bankers' Executive Committee, an Alternate Director of the World Savings and Retail Banking Institute, and a member of the MPF Industry Schemes Committee. He is a board member of The Community Chest of Hong Kong, a member of the Advisory Board of The Salvation Army Hong Kong and Macau Territory, and a Trustee of The University of Hong Kong's occupational retirement schemes. Furthermore, Mr. LI serves as a member of the Election Committees responsible for electing the Chief Executive and Legislative Council Members of the HKSAR as well as deputies of the HKSAR to the 14th National People's Congress. Mr. LI was previously an Independent Non-executive Director of China State Construction International Holdings Limited, which is listed in Hong Kong. Mr. LI holds a Master of Business Administration degree from the Kellogg School of Management, Northwestern University in the US, and a Master of Arts degree and Bachelor of Arts degree in Law from the University of Cambridge in Britain. He is a member of The Law Society of England and Wales, as well as that of Hong Kong. He is also a member of the Hong Kong Academy of Finance and has been conferred as an Honorary Certified Banker by The Hong Kong Institute of Bankers. Mr. LI was awarded the Bronze Bauhinia Star by the Government of the HKSAR in recognition of his contributions to the community.


Mr. LAM, aged 70, has been an Independent Non-executive Director of the Company since August 2015. He is a member of the Audit Committee of the Company. Mr. LAM is an Independent Non-executive Director of CITIC Telecom International Holdings Limited, Global Digital Creations Holdings Limited, Nine Dragons Paper (Holdings) Limited, Shougang Century Holdings Limited and Topsports International Holdings Limited, all of which are companies listed in Hong Kong, and Spring Asset Management Limited as the manager of Spring Real Estate Investment Trust (listed in Hong Kong), and was an Independent Non-executive Director of WWPKG Holdings Company Limited, a company listed in Hong Kong, Bestway Global Holding Inc., a company formerly listed in Hong Kong, and Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd., a company listed in Hong Kong and Shanghai. Mr. LAM was a member of the Listing Committee and the Financial Reporting Advisory Panel of The Stock Exchange of Hong Kong Limited from 1997 to 2003, a committee member of the Hong Kong Institute of Certified Public Accountants ("HKICPA") from 1994 to 2009, and an audit partner of PricewaterhouseCoopers from 1993 to 2013. He has over 40 years of experience in accounting, auditing and business consulting. Mr. LAM is a fellow member of the HKICPA, the Association of Chartered Certified Accountants, the Chartered Accountants of Australia and New Zealand and the Institute of Chartered Accountants in England & Wales. Mr. LAM obtained a higher diploma in accountancy from The Hong Kong Polytechnic University in 1975 and was conferred an Honorary Fellow by The Hong Kong Polytechnic University in 2002.

# Directors and Senior Management Profiles


Prof. CHAN, aged 63, has been an Independent Non-executive Director of the Company since October 2016. He is the Chairman of the Environmental, Social and Governance Committee and a member of the Remuneration Committee of the Company. Prof. CHAN is currently an Independent Non-executive Director of MTR Corporation Limited, Dean of the College of Business and Chair Professor of Finance at City University of Hong Kong. He is also a member of a number of committees, including the Human Capital Committee of The Financial Services Development Council of Hong Kong, TraHK Supervisory Committee, Hong Kong Academy of Finance, and Council of Advisers and Applied Research of Hong Kong Institute for Monetary and Financial Research. From 2014 to 2023, Prof. CHAN was the Wei-Lun Professor of Finance at the Chinese University of Hong Kong (CUHK), serving as Dean of CUHK Business School from 2014 to 2019 and Chair of Finance Department from 2021 to 2023. Prior to that, Prof. CHAN was Synergis-Geoffrey Yeh Professor of Finance at Hong Kong University of Science and Technology (HKUST) (2008-2014), where he served as Head of Finance Department (2003-2013) and Acting Dean of HKUST Business School (2013-2014). Prof. CHAN has also served as the President of Asian Finance Association from 2008 to 2010. Prof. CHAN obtained his Bachelor of Social Science degree in Economics from CUHK and Doctor of Philosophy degree in Finance from Ohio State University in the USA.


Mr. YANG, aged 76, has been an Independent Non executive Director of the Company since April 2020. He is a member of the Environmental, Social and Governance Committee of the Company. Mr. YANG is also an independent non-executive director of Orient Overseas (International) Limited (listed in Hong Kong). He is a full-time arbitrator in international commercial and maritime arbitration, the Honorary Chairman of Hong Kong International Arbitration Centre, the member of the Expert Committee of China International Commercial Court of the Supreme People's Court of China, the International Advisory Board of China International Economic and Trade Arbitration Commission, the council member of Shanghai Arbitration Commission (SHAC) and chairman of SHAC – Academy. Mr. YANG had been the Chairman of Hong Kong International Arbitration Centre, the Vice Chairman of the Documentary Committee of the Baltic International Maritime Council in Denmark, the President of Asia-Pacific Regional Arbitration Group, the Hong Kong representative of ICC International Court of Arbitration, the Chairman of the East Asia Branch of the Chartered Institute of Arbitrators, member of the Korean Commercial Arbitration Board, the General Committee of Singapore Chamber of Maritime Arbitration and the Asian International Arbitration Centre (AIAC) Advisory Council in Malaysia, and an independent non-executive director of COSCO SHIPPING Holdings Co., Ltd. Mr. YANG as a full-time arbitrator has extensive experience in dealing with cases related to international commercial, maritime and trade law and is very familiar with laws and practice in such areas. He has acted as an arbitrator in Hong Kong, London, Singapore, Malaysia, Australia, Austria, Korea, the USA and Mainland China in thousands of cases during the past over 30 years. He has also published many books and articles in English and Chinese on international commercial, maritime and trade law and practice. Mr. YANG has also devoted himself to the educational activities in various law schools in Hong Kong and Mainland China and is a visiting professor in more than ten universities.

## SENIOR MANAGEMENT


Mr. CHEN, aged 55, has been a Deputy General Manager of the Company since June 2022. He is a member of the Risk Management Committee of the Company. Before the appointment, he had been an Executive Assistant to Managing Director of the Company since April 2021. Mr. CHEN served as managing director of Xiamen Ocean Gate Container Terminal Co., Ltd. (a subsidiary of the Company), deputy general manager of Shanghai Ocean Industry Corporation, deputy general manager of the Asia-Pacific Trade Division of COSCO Container Lines Co., Ltd. (now known as COSCO SHIPPING Lines Co., Ltd.), marketing director of COSCO Xiamen International Freight Co., Ltd., and second officer of Shanghai Ocean Shipping Co., Ltd., etc. Mr. CHEN has over 30 years of solid work experience in the shipping and port industry and has extensive experience in container transportation and marketing management, terminal operation management and Smart Port development. Mr. CHEN graduated from Navigation College of Jimei University with Marine Navigation major and holds a Master of Business Administration degree from Xiamen University. He is a senior economist.


Mr. ZHAO, aged 52, has been the Chief Accountant of the Company since June 2022. He is a member of the Investment and Strategic Planning Committee and the Risk Management Committee of the Company. Mr. ZHAO joined the COSCO group in 1995. He had been section manager of the Accounting Section of the Finance Department of Qingdao Ocean Shipping Co., Ltd. (now known as COSCO SHIPPING (Qingdao) Co., Ltd.), chief financial officer of COSCO Africa Co., Ltd. (now known as COSCO SHIPPING (Africa) Co., Ltd.), deputy manager (person-in-charge) of the Fund Management Office of the Finance Department of China Ocean Shipping (Group) Company (now known as China Ocean Shipping Co., Ltd.)/China COSCO Holdings Company Limited (now known as COSCO SHIPPING Holdings Co., Ltd.), senior manager of the Fund Management Office of the Financial Management Department of China COSCO SHIPPING Corporation Limited. Mr. ZHAO has over 20 years of solid work experience in the shipping industry and has extensive experience in financial accounting, fund management, business financing, etc. Mr. ZHAO graduated from Central University of Finance and Economics, majoring in National Economic Management. He is a senior accountant.

# Directors and Senior Management Profiles


Ms. HUNG, aged 55, has been appointed as the General Counsel of the Group since November 1996, the Board Secretary of the Company since March 2001 and the Chief Compliance Officer of the Company since December 2024. Ms. HUNG is mainly responsible for the overall legal, corporate governance, compliance, company secretarial, risk management and internal control and related matters. She is also a member of the Risk Management Committee of the Company. Ms. HUNG holds a Bachelor of Laws degree (Hons) from The University of Hong Kong. She is currently a practicing solicitor of the High Court of the Hong Kong Special Administrative Region and is qualified in England and Wales. She is also a Fellow of The Hong Kong Chartered Governance Institute. Ms. HUNG was named among the top 25 “in-house high flyers” and “the best in Asia” by the Asian Legal Business Magazine (“ALB”) for three consecutive years (2006-2008). In addition, she was awarded the “Asian Company Secretary of the Year Recognition Award” for two consecutive years (2013-2014) by the Corporate Governance Asia, a corporate governance magazine, and named among the top 15 general counsels of the 2015 China’s Top General Counsel Rankings by the ALB. She was awarded the “Woman Lawyer of the Year (In-House)” at the ALB Hong Kong Law Awards 2021 and was awarded the “In-House Lawyer of the Year” at the ALB Women in Law Awards by the ALB in the same year. In 2024, Ms. HUNG received the prestigious Lifetime Achievement Awards from the renowned China Business Law Journal, and was again recognized by the ALB as one of the Top 15 General Counsels in Asia. In 2025, Ms. HUNG was recognized as the “General Counsel: Greater China Region – Spotlight” by the internationally renowned rating agency Chambers as well.

# REPORT OF THE DIRECTORS

The board of directors of the Company (the "Board") presents its report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024.

## PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in note 41 to the consolidated financial statements.

An analysis of the Group's performance for the year by operating segments is set out in note 6 to the consolidated financial statements.

## BUSINESS REVIEW

A review of the business of the Group during the year, a discussion on the Group's future business development and the principal risks and uncertainties faced by the Group are provided in the Chairman's Statement on pages 12 to 17 and the Financial Review on pages 30 to 33 of this annual report.

The financial risk management objectives and policies of the Group can be found in note 4 to the consolidated financial statements.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on pages 10 to 11 of this annual report.

The environmental policies and performance and compliance with relevant laws and regulations are provided in the 2024 Sustainability Report of the Company, which has been published on the same date of this annual report. The English and Chinese version of the 2024 Sustainability Report are available on the Company's website (https://ports.coscoshipping.com) and the HKEXnews' website (www.hkexnews.hk). Such report could be accessed by clicking "Sustainability" on the home page of the Company's website, then selecting "Sustainability Report 2024" under "Reports on Sustainability" and viewing them using Adobe Reader, or browsing through the HKEXnews' website.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated income statement on page 122 of this annual report.

The Board declared a first interim dividend of HK12.2 cents (equivalent to US1.560 cents) per share with a scrip dividend alternative, totalling HK$448,016,000 (equivalent to US$57,287,000), which was paid on 21 November 2024.

The Board also declared a second interim dividend of HK14.2 cents (equivalent to US1.840 cents) per share with a scrip dividend alternative, totalling HK$534,116,000 (equivalent to US$69,209,000), payable on 12 June 2025.

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 223 of this annual report.

## DONATIONS

Charitable and other donations made by the Group during the year amounted to US$1,618,000.

## SHARES ISSUED IN THE YEAR

Details of the Shares issued by the Company during the year are set out in note 19 to the consolidated financial statements.

## DISTRIBUTABLE RESERVES

The distributable reserves of the Company as of 31 December 2024 calculated under the Companies Act of Bermuda amounted to US$2,418,379,000.

## BORROWINGS

Details of the borrowings of the Group are set out in note 21 to the consolidated financial statements.

## RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes of the Group are set out in note 26 to the consolidated financial statements.

## DIRECTORS

The directors of the Company during the year and up to the date of this report were:

| | |
|---|---|
| Mr. ZHU Tao[1] *(Chairman and Managing Director)* | (Appointed as Chairman of the Board on 26 June 2024) |
| Mr. MA Xianghui[2] | (Appointed on 26 June 2024) |
| Mr. CHEN Shuai[2] | (Appointed on 24 December 2024) |
| Dr. FAN HSU Lai Tai, Rita[3] | |
| Mr. Adrian David LI Man Kiu[3] | |
| Mr. LAM Yiu Kin[3] | |
| Prof. CHAN Ka Lok[3] | |
| Mr. YANG Liang Yee Philip[3] | |
| Mr. YANG Zhijian[1] *(Chairman)* | (Resigned on 26 June 2024) |
| Mr. ZHANG Wei[2] | (Resigned on 24 December 2024) |
| Mr. CHEN Dong[2] | (Retired on 24 May 2024) |
| Dr. WONG Tin Yau, Kelvin[1] | (Resigned on 14 October 2024) |

1 Executive director
2 Non-executive director
3 Independent non-executive director

In accordance with Clauses 83(2) of the Bye-laws of the Company, Mr. MA Xianghui and Mr. CHEN Shuai, being new directors appointed by the Directors since the last annual general meeting, shall hold office until the first annual general meeting after their appointments and, being eligible, offer themselves for re-election.

In accordance with Clauses 84(1) and (2) of the Bye-laws of the Company, Prof. CHAN Ka Lok and Mr. YANG Liang Yee Philip, being directors longest in office since their last re-election, shall retire from office by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The Company has received annual confirmation from each of the independent non-executive directors confirming their independence, and considers that each of the independent non-executive directors is independent to the Company.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of directors and senior management are set out on pages 87 to 92 of this annual report.

## DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

## DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the Company and the director's connected party had a material interests, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## PERMITTED INDEMNITY PROVISIONS

The Bye-laws of the Company provide that the directors of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty. Directors liability insurance is in place to protect the directors of the Company or of its subsidiaries against any potential costs and liabilities arising from claims brought against the directors.

## SHARE OPTION SCHEME

### General Information of the Share Option Scheme

On 26 October 2017, the Board approved the "Share Option Scheme of COSCO SHIPPING Ports Limited (Proposed)" (公司股票期權激勵計劃（草案）). At a special general meeting of the Company held on 8 June 2018, the shareholders of the Company (the "Shareholders") approved the adoption of a share option scheme containing the terms of the said proposed scheme (the "Share Option Scheme").

On 19 June 2018, the Board was of the view that all the conditions of the grant of options had been fulfilled, and determined the date of the initial grant be on 19 June 2018 for the granting of 53,483,200 share options to 238 eligible participants, and had handled all necessary issues regarding the grant of share options.

Pursuant to the relevant requirements under the Share Option Scheme, within one year after the abovementioned initial grant, the Company had granted a total of 3,640,554 share options to 17 participants in four times on 29 November 2018, 29 March 2019, 23 May 2019 and 17 June 2019, respectively, and had handled all necessary issues regarding the grant of share options.

Please refer to the circular of the Company dated 18 May 2018 (the "Circular") and announcements of the Company dated 19 June 2018, 29 November 2018, 29 March 2019, 23 May 2019 and 17 June 2019 for details of the Share Option Scheme and each grant.

## Summary of the Principal Terms of the Share Option Scheme

The Share Option Scheme was designed to enable the Company (i) to establish and cultivate a performance-oriented culture, under which value is created for the Shareholders, and to establish an interests-sharing and restraining mechanism between the Shareholders and the Company's management; (ii) to further improve the Company's corporate governance structure and provide a unified mechanism to balance the interests among the Shareholders, decision-makers and executives of the Company, to secure stable and long-term development of the Company; (iii) to coordinate the short-term and long-term incentives of the management and professional talents of the Company, to cultivate and strengthen the key personnel, to attract different kinds of talents more flexibly and to improve the long-term development of the Company; (iv) to effectively motivate the management and key personnel to enhance their performance and the core competitiveness of the Company; and (v) to further enhance the Company's competitive advantage in the labour market, to attract, retain and incentivise senior management and personnel at key positions of the Company for achieving the strategic targets of the Company, to enhance the realisation of the long-term strategic targets of the Company and to strengthen cohesion of the Company.

Eligible participants for the Share Option Scheme (the "Participants" or a "Participant") include the directors of the Company, key management personnel such as senior management members at the headquarters of the Company and departmental deputy managers and above, and management personnel (including senior and mid-level management personnel) appointed to subsidiaries and other invested companies of the Company, and senior management members of the Company's subsidiaries excluding independent non-executive directors, Shareholders or de facto controllers of the Company who on their own or in aggregate holding more than 5% of the shares of the Company (the "Shares") and their respective spouses, parents, children or other associates (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")).

The number of share options to be granted to each Participant shall be determined on the basis that the estimated benefit upon exercise of the share options will not exceed 40% of twice of his/her total annual emolument (inclusive of the estimated benefit upon exercise of the share options) which was determined according to the annual salary level in 2016. If the results of the Company is exceptionally outstanding, the cap on the benefit upon exercise of the share options mentioned above may be adjusted according to the regulations of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會) (the "SASAC"). The specific operation and arrangement will be implemented by the Board in accordance with the then regulations of the SASAC.

The maximum entitlement for any one Participant (including exercised, cancelled and outstanding options) in any 12 months' period shall not exceed 1% of the total number of Shares in issue.

Share options cannot be exercised during the two-year period commencing from the date of grant of the share options (the "Restriction Period"). Subject to the fulfilment of the relevant vesting conditions, share options will be vested in three batches evenly over a period of three years after the expiry of the Restriction Period, and each batch of share options vested is exercisable within the relevant exercise period.

The validity period within which the Participants can take up the underlying Shares under the share options is 5 years from the date of grant of the share options and no consideration is payable on acceptance of the share options.

The exercise price in relation to each share option is determined based on the principle of fair market value and in any event should be the highest of (i) the closing price of the Shares as stated in the daily quotation sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date when an option was formally granted; (ii) the average closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date on which an option was formally granted; and (iii) the nominal value of the Shares.

The Share Option Scheme is valid and effective for a period of 10 years commencing from the date of adoption and will expire on 7 June 2028.

During the year, no option was granted, exercised, lapsed or cancelled. As at the date of this report, no share options were outstanding pursuant to the terms of the Share Option Scheme. According to the terms of the Share Option Scheme, no share options can be granted under the Share Option Scheme since 19 June 2019.

## DIRECTORS' INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

The interest of the Company's directors in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company as at 31 December 2024 under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules were as follows:

### (a) Long positions in the Shares of the Company

| Name of director | Capacity | Nature of interest | Number of Shares held | % of total number of issued Shares |
|---|---|---|---|---|
| Mr. ZHU Tao | Beneficial owner | Personal | 8,000 | 0.0002% |

### (b) Long positions in shares of associated corporations

| Name of associated corporation | Name of director | Capacity | Nature of interest | Number of shares held | % of total number of issued shares of the relevant class of the relevant associated corporation |
|---|---|---|---|---|---|
| COSCO SHIPPING Development Co., Ltd. | Mr. ZHU Tao | Beneficial owner | Personal | 65,000 H shares<br>108,100 A shares | 0.002%<br>0.001% |
| COSCO SHIPPING Energy Transportation Co., Ltd. | Mr. Adrian David LI Man Kiu | Beneficial owner | Personal | 508,000 H shares | 0.04% |
| Hainan Strait Shipping Co., Ltd | Mr. ZHU Tao | Beneficial owner | Personal | 12,900 A shares | 0.0006% |

### (c) Long positions in underlying shares (equity derivatives) of associated corporations

| Name of associated corporation | Name of director | Capacity | Nature of interest | Exercise price (RMB) | Numbers of share options | % of total number of issued shares of the relevant class of the relevant associated corporation | Notes |
|---|---|---|---|---|---|---|---|
| COSCO SHIPPING Holdings Co., Ltd. | Mr. ZHU Tao | Beneficial owner | Personal | 1.00 | 222,179 | 0.0017% | (1), (2), (3) |

Notes:

(1) Such share options were granted on 29 May 2020 pursuant to the A-shares share option incentive scheme of COSCO SHIPPING Holdings Co., Ltd. ("COSCO SHIPPING Holdings") adopted on 30 May 2019 and amended on 18 May 2020 by the shareholders of COSCO SHIPPING Holdings and can be exercised during the period from 30 May 2022 to 28 May 2027.

(2) Such share options have been or will be vested after 24 months from the date of grant (the "Vesting Period"). Subject to the fulfilment of the relevant vesting conditions, such share options will be vested in three batches after the Vesting Period, i.e. (a) 33% of the share options can be exercised during the first trading day after 24 months from the date of grant to the last trading day within 36 months from the date of grant; (b) 33% of the share options can be exercised during the first trading day after 36 months from the date of grant to the last trading day within 48 months from the date of grant; and (c) 34% of the share options can be exercised during the first trading day after 48 months from the date of grant to the last trading day within 84 months from the date of grant.

(5) On 12 December 2022, the board of directors of COSCO SHIPPING Holdings resolved to adjust its reserved A share options' exercise price from RMB1.82 to RMB1.00 per A share following the 2022 interim dividend distribution plan of COSCO SHIPPING Holdings. The registration with China Securities Depository and Clearing Corporation Limited for such adjustment was completed.

## DIRECTORS' INTEREST IN COMPETING BUSINESS

As at 31 December 2024, the directors, namely Mr. ZHU Tao, Mr. MA Xianghui and Mr. CHEN Shuai held directorships or senior management positions in the associates of COSCO SHIPPING and/or other companies which have interests in terminals operation and management business.

The Board is of the view that the Group is capable of carrying on its businesses independently of the interests referred to in the paragraph above. When making decisions on the terminals business of the Group, the relevant directors, in the performance of their duties as directors of the Company, have acted and will continue to act in the best interest of the Group. Other than as disclosed above, none of the Directors and their respective associates has interests in the businesses which competes or was likely to compete, whether directly or indirectly, with the businesses of the Group.

## SUBSTANTIAL INTEREST IN THE SHARE CAPITAL OF THE COMPANY

The interest of shareholders, other than the interest of directors of the Company as disclosed above, in the Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company or the Stock Exchange, as at 31 December 2024, were as follows:

| | | | Number of Shares/Percentage of total number of issued Shares as at 31 December 2024 | | | | |
|---|---|---|---|---|---|---|---|
| Name | Capacity | Nature of interests | Long positions | % | Short positions | % | Note |
| COSCO Investments Limited | Beneficial owner | Beneficial interest | 250,408,951 | 6.66 | – | – | (1) |
| China COSCO (Hong Kong) Limited | Beneficial owner and interest of controlled corporation | Beneficial interest and corporate interest | 2,530,229,793 | 67.27 | – | – | (1) |
| COSCO SHIPPING Holdings Co., Ltd. | Interest of controlled corporation | Corporate interest | 2,530,229,793 | 67.27 | – | – | (1) |
| China Ocean Shipping Co., Ltd. | Interest of controlled corporation | Corporate interest | 2,530,229,793 | 67.27 | – | – | (1) |
| China COSCO SHIPPING Corporation Limited | Interest of controlled corporation | Corporate interest | 2,530,229,793 | 67.27 | – | – | (1) |

Note:

(1) The 2,530,229,793 Shares relate to the same batch of Shares. COSCO Investments Limited ("COSCO Investments") is a wholly-owned subsidiary of China COSCO (Hong Kong) Limited ("China COSCO (HK)"). Accordingly, the 250,408,951 Shares held by COSCO Investments are also included as part of China COSCO (HK)'s interest in the Company. China COSCO (HK) is a wholly-owned subsidiary of COSCO SHIPPING Holdings and it itself held 2,279,820,842 Shares beneficially. Accordingly, China COSCO (HK)'s interest in relation to the 2,530,229,793 Shares is also recorded as COSCO SHIPPING Holdings' interest in the Company. China Ocean Shipping Co., Ltd. ("COSCO Group") held 39.50% equity interest in COSCO SHIPPING Holdings as at 31 December 2024, and accordingly, COSCO Group is deemed to have the interest of 2,530,229,793 Shares held by China COSCO (HK). COSCO Group is a wholly-owned subsidiary of China COSCO SHIPPING Corporation Limited ("COSCO SHIPPING"). Accordingly, COSCO Group's interest in relation to the 2,530,229,793 Shares is also recorded as COSCO SHIPPING's interest in the Company.

As informed by China COSCO (HK), it was interested in a total of 2,691,333,399 Shares (representing approximately 71.55% of the total number of issued Shares) as at 31 December 2024, of which 266,730,227 Shares (representing 7.09% of the total number of issued Shares) were held by COSCO Investments. Such increase in shareholding was not required to be disclosed under Part XV of the SFO.

Save as disclosed above, as at 31 December 2024, the Company had not been notified of any other interest or short positions in the Shares and underlying Shares of the Company which had to be recorded in the register required to be kept under Section 336 of the SFO.

## PUBLIC FLOAT

Based on the information publicly available to the Company and to the best knowledge of its directors, as at the date of this report, there was sufficient public float of the Shares of the Company with no less than 25% of the total number of issued Shares of the Company held by the public as required under the Listing Rules.

## PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed Shares (including sale of treasury shares (as defined under the Listing Rules)) during 2024.

## PRE-EMPTIVE RIGHTS

There are no provisions on pre-emptive rights under the Bye-laws of the Company and there are no restrictions on such rights under the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or subsisted during the year.

## MAJOR SUPPLIERS AND CUSTOMERS

The percentage of the Group's purchases and revenues attributable to major suppliers and customers are as follows:

| | |
|---|---|
| Percentage of purchases attributable to the Group's largest supplier | 15% |
| Percentage of purchases attributable to the Group's five largest suppliers | 49% |
| Percentage of revenue from sales of goods or rendering of services attributable to the Group's largest customer | 28% |
| Percentage of revenue from sales of goods or rendering of services attributable to the Group's five largest customers | 63% |

None of the directors or their associates is interested in any of the suppliers or customers of the Group.

During the year ended 31 December 2024, COSCO SHIPPING, has equity interest in (1) one of the five largest suppliers of the Group which contributed 9% of the purchases made by the Group; and (2) the largest customer of the Group.

Save as disclosed above, to the best knowledge of the directors, none of the Shareholders owning more than 5% of the Company's Shares is interested in any of the suppliers and customers of the Group.

## CORPORATE GOVERNANCE

The Company continues to maintain high standards of corporate governance so as to promote transparency and ensure better protection of shareholders' interest as a whole. The Company has fully complied with the code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 2024 except deviation of two code provisions.

Further information on the Company's corporate governance practices and relevant deviation is set out in the Corporate Governance Report on pages 44 to 86 of this annual report.

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Group conducted certain continuing related party transactions, as disclosed in note 37 (Related party transactions) of the audited consolidated financial statements of the Company for the year ended 31 December 2024, some of which constituted continuing connected transactions of the Group (exempted or non-exempted) and the Company has complied with the relevant applicable requirements under Chapter 14A of the Listing Rules in respect of the following continuing connected transactions which are not exempt from annual reporting requirement:

### (1) Rental of office premises

On 29 November 2023, COSCO SHIPPING Ports Management Company Limited ("COSCO SHIPPING Ports Management") as the tenant entered into a new tenancy agreement with Wing Thye Holdings Limited ("Wing Thye") as the landlord (the "49F Tenancy Agreement") in respect of the leasing of the Unit Nos. 4901, 4902A, 4902B and 4903 situated at 49th Floor of High Block (COSCO Tower), Grand Millennium Plaza, No. 183 Queen's Road Central, No. 33 Wing Lok Street, Hong Kong (the "49F Properties") for a term of three years commencing from 29 November 2023 at a monthly rental of HK$1,404,480 exclusive of government rent, rates, management fees and other outgoings. The monthly management fees payable to Wing Thye under the 49F Tenancy Agreement is HK$95,760 (subject to revision by the incorporated owners and the management company of the building of which the 49F Properties form part from time to time). The (i) rental and (ii) management fees and other outgoings paid by COSCO SHIPPING Ports Management under the 49F Tenancy Agreement for the period from 1 January 2024 to 31 December 2024 were HK$16,151,520 and HK$1,251,264 respectively.

Apart from the 49F Tenancy Agreement and New 49F Tenancy Agreement, COSCO SHIPPING Ports Management as the tenant also entered into a tenancy agreement with Malayan Corporations Limited ("Malayan Corporations") as the landlord (the "42F Tenancy Agreement", together with the 49F Tenancy Agreement, the "Tenancy Agreements") in respect of Unit No. 4206 situated at the 42nd Floor of COSCO Tower, 183 Queen's Road Central, Hong Kong (the "42F Property") on 29 November 2023. Pursuant to the 42F Tenancy Agreement, COSCO SHIPPING Ports Management agreed to rent from Malayan Corporations the 42F Property for a term of three years commencing from 29 November 2023 at a monthly rental of HK$325,512 exclusive of government rent, rates, management fees and other outgoings. The monthly management fees payable to Malayan Corporations under the 42F Tenancy Agreement is HK$22,194 (subject to revision by the incorporated owners and the management company of the building of which the 42F Property forms part from time to time). The (i) rental and (ii) management fees and other outgoings paid by COSCO SHIPPING Ports Management under the 42F Tenancy Agreement for the period from 1 January 2024 to 31 December 2024 were HK$3,743,388 and HK$290,001 respectively.

The payments to be made by the Group contemplated under the Tenancy Agreements comprise different components and hence different accounting treatments will apply. Pursuant to HKFRS 16 "Leases", the monthly rentals of the 42F Property and the 49F Properties leased under the Tenancy Agreements will be recognised as right-of-use assets with the estimated aggregate consideration of approximately HK$56,180,000. The right-of-use assets represent the Company's right to use the underlying leased assets over the lease term and the lease liabilities represent its obligation to make lease payments (i.e. the rent). The assets and the liabilities arising from the leases are initially measured on present value basis and calculated by discounting the non-cancellable lease payments under the Tenancy Agreements, using the incremental borrowing rate as the discount rate. Under HKFRS 16 and in the consolidated financial statements of the Group, the Group shall recognise (i) depreciation charge over the life of the right-of-use assets, and (ii) interest on the lease liabilities over the lease term.

Accordingly, the Group will recognise the monthly rentals as acquisitions of right-of-use assets taking into account the aggregate discounted amount of the monthly rentals in accordance with HKFRS 16. Such acquisitions of right-of-use assets will constitute one-off connected transactions for the Company under Chapter 14A of the Listing Rules. The management fees and other outgoings under the Tenancy Agreements (the "Other Charges") will be recognised as expenses in the Group's profit and loss accounts in the periods in which they are incurred, and the payment of such expenses will be regarded as continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The Company intended to continue to occupy the 49F Properties on a long term basis as the head office of itself and its subsidiaries and as its principal place of business in Hong Kong. In addition, the Company considered it necessary and appropriate to rent the 42F Property, which has the advantage of close proximity to the Company's head office at 49th floor of the same building, to cater for the operation and growth of the Group. In negotiating the rental under the Tenancy Agreements, the directors of the Company had made reference to the professional opinion given by Cushman & Wakefield Limited, an independent professional valuer. The monthly rental agreed for the 49F Properties and the 42F Property as provided in the Tenancy Agreements were at market levels and were fair and reasonable.

Both Wing Thye and Malayan Corporations are wholly-owned subsidiaries of COSCO SHIPPING (Hong Kong) Co., Limited ("COSCO SHIPPING (Hong Kong)"). COSCO SHIPPING Ports Management is a wholly-owned subsidiary of the Company. COSCO SHIPPING is a controlling shareholder of both the Company and COSCO SHIPPING (Hong Kong). Accordingly, each of Wing Thye and Malayan Corporations is a connected person of the Company. The payment of the rentals under the Tenancy Agreements is regarded as acquisitions of assets by the Group and constitutes connected transactions of the Company; and the payment of the Other Charges constitutes continuing connected transactions of the Company under the Listing Rules.

For further details, please refer to announcement of the Company dated 29 December 2023.

## (2) Financial Services Master Agreement

On 30 August 2022, the Company entered into a financial services master agreement (the "Financial Services Master Agreement") with COSCO SHIPPING Finance Co., Ltd. ("COSCO SHIPPING Finance"). Under the Financial Services Master Agreement, COSCO SHIPPING Finance agreed to provide its services to the Group for deposit transactions (the "Deposit Transactions"), loan transactions (the "Loan Transactions"), clearing transactions (the "Clearing Transactions") and other financial services which COSCO SHIPPING Finance may offer to the Group from time to time (the "Further Financial Services") (collectively, the "Transactions") for the period from 1 January 2023 to 31 December 2025 (both dates inclusive).

In respect of the Deposit Transactions, the rate of interest which would accrue on any deposits placed by the Group with COSCO SHIPPING Finance under the Financial Services Master Agreement will: (a) be no lower than the benchmark rate for the same type of deposits for the same term stipulated by the People's Bank of China from time to time; (b) make reference to market interest rates, being the interest rates offered by independent third party commercial banks and/or financial institutions providing the same type of deposit services on normal commercial terms in their ordinary course of business in the same or nearby service area, and in accordance with the principle of fairness and reasonableness; and (c) make reference to the interest rates offered by COSCO SHIPPING Finance to COSCO SHIPPING and subsidiaries held by COSCO SHIPPING as to more than 51%, companies held by COSCO SHIPPING and such subsidiaries (individually or jointly) as to more than 20% (or as to less than 20% but with COSCO SHIPPING and such subsidiaries (individually or jointly) being the largest shareholder), and enterprise legal entities (事業單位法人) and social organisation legal entities (社會團體法人) under COSCO SHIPPING or such subsidiaries with the same qualities for the same type of deposit services in the same period of time. The annual caps representing the daily maximum aggregate amount of deposits placed by the Group with COSCO SHIPPING Finance (including the amount of any interest accrued thereon) for each of the three years ended or ending 31 December 2023, 2024 and 2025 were RMB3,500,000,000. The maximum daily aggregate amount of deposits for the year ended 31 December 2024 was RMB3,410,811,000.

The deposit interest rates offered by COSCO SHIPPING Finance to the Group were no less favourable to the Group than those offered by independent third party commercial banks and/or financial institutions for comparable deposits. The Financial Services Master Agreement did not preclude the Group from using the services of other financial institutions as it thought fit and appropriate for the benefit of the Group. Where required, the Group could solicit other reference quotations, where available, from independent third party commercial banks and/or financial institutions in respect of similar transactions for comparison and consideration. The Financial Services Master Agreement provided the Group with additional means of financing and improved the efficiency of the use of its funds through favourable interest income and costs of financing.

COSCO SHIPPING Finance is a subsidiary of COSCO SHIPPING, a controlling shareholder of the Company, and is therefore a connected person of the Company. Hence, the Transactions constituted continuing connected transactions of the Group.

The Deposit Transactions were subject to the announcement requirements and the reporting, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules and were approved by the independent shareholders of the Company at the special general meeting held on 1 December 2022. As no Further Financial Services were requested by the Group from COSCO SHIPPING Finance for the year ended 31 December 2024, no fee was charged by COSCO SHIPPING Finance for such services. For the Loan Transactions and the Clearing Transactions which are fully exempt from the requirements under Chapter 14A of the Listing Rules including annual reporting requirements, shareholders may refer to the announcement of the Company dated 30 August 2022 for their details if interested.

For further details, please refer to the announcement of the Company dated 30 August 2022 and the circular of the Company dated 21 September 2022.

## (3) Master agreements relating to shipping and terminal related services transactions (collectively, the "Shipping and Terminal Related Services Master Agreements")

The Company and certain of its subsidiaries entered into the following master agreements each for a term of three years from 1 January 2022 to 31 December 2024 (other than the CMA Terminal Services Master Agreement which is for the term from 29 September 2023 to 31 December 2024):

(1) COSCO SHIPPING Shipping Services and Terminal Services Master Agreement entered into between the Company and COSCO SHIPPING on 29 October 2021 in respect of the following transactions:

(a) Provision of terminal services by the relevant members of the Group to COSCO SHIPPING, its subsidiaries and associates (excluding the Group) (collectively, the "COSCO SHIPPING Group"), being the terminal services which are related to the shipping business carried out by the COSCO SHIPPING Group, including but not limited to handling, storage, stevedoring, transshipment, maintenance of cargoes and provision of container storage space and terminal facilities, and other ancillary services. The annual caps of the aggregate amount receivable by the Group from the COSCO SHIPPING Group for such services for the three years ended 31 December 2022, 2023 and 2024 were RMB3,750,000,000, RMB4,220,000,000 and RMB4,870,000,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was RMB3,007,933,000.

(b) Provision of shipping services by the relevant members of the COSCO SHIPPING Group to members of the Group, being the shipping services which are related to the terminal business carried out by the Group, including but not limited to the provision of manpower services, cargo handling services, logistics services, purchase of materials, supply of fuel and oil products (including but not limited to diesel oil, fuel oil, lubricating oil, hydraulic oil and transmission oil) and subsidy on port construction fee, and other ancillary services. The annual caps of the aggregate amount payable by the Group to the COSCO SHIPPING Group for such services for the three years ended 31 December 2022, 2023 and 2024 were RMB350,000,000, RMB390,000,000 and RMB420,000,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was RMB85,433,000.

It was agreed that the service fees payable by the relevant members of the COSCO SHIPPING Group shall be no less favourable to the relevant members of the Group than those at which the relevant members of the Group charge independent third party customers for similar type of services. It was also agreed that the service fees payable by the relevant members of the Group shall be no less favourable to the relevant members of the Group than those at which independent third party providers charge the relevant members of the Group for similar type of services. The fees charged shall be determined with reference to the prevailing market price, being the price offered to or charged by independent third parties in respect of similar types of services in the ordinary course of business in the same or nearby service area and subject to normal commercial terms, and in accordance with the principle of fairness and reasonableness.

For further details, please refer to the announcement of the Company dated 29 October 2021 and the circular of the Company dated 19 November 2021.

(2) Maersk Shipping Services Master Agreement entered into between the Company and Maersk A/S in its own capacity and for entities trading under the names of Maersk, Safmarine, MCC Transport, Sealand and Hamburg Süd and any other future entities where Maersk A/S holds a majority ownership (collectively, "Maersk") on 29 October 2021 in respect of the provision of shipping related services by members of the Group to Maersk, including but not limited to handling, storage, stevedoring, transshipment, maintenance of cargoes, provision of container storage space and terminal premises.

The annual caps of the aggregate amount receivable by the Group from Maersk for such services for the three years ended 31 December 2022, 2023 and 2024 were RMB819,625,000, RMB938,899,000 and RMB1,065,748,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was RMB709,305,000.

The terms on pricing under the Maersk Shipping Services Master Agreement shall be at rates no less favourable to the relevant members of the Group than those at which the relevant members of the Group charge independent third party customers for the relevant services.

For further details, please refer to the announcement of the Company dated 29 October 2021.

(3) GZ Port Company Container Terminal Services Master Agreement entered into between Guangzhou South China Oceangate Container Terminal Company Limited ("GZ South China", a subsidiary of the Company) and Guangzhou Port Holdings Company Limited ("GZ Port Company") on 12 November 2021 in respect of the following transactions:

(a) Provision of terminal related services, including but not limited to cargo inspection related services, leasing of frontloaders, port related services (including without limitation, provision of berths, loading and unloading, inspection, transportation, shifting, boxing and unboxing of containers, transshipment of passenger liners, operation and management of transshipment of cargoes and provision of container storage space), repairing services to pontoon, leasing of assets and provision of machinery, and all other ancillary and related services, by GZ South China to GZ Port Company and its subsidiaries and branches (collectively, the "GZ Port Company Group"). The annual caps of the aggregate amount receivable by GZ South China from the GZ Port Company Group for such services for the three years ended 31 December 2022, 2023 and 2024 were RMB47,955,000, RMB55,149,000 and RMB63,420,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was RMB22,112,000.

(b) Provision of terminal related services, including but not limited to container handling services, tugboat services, information services, provision of fuel and oil, port related services (including without limitation, provision of berths, cargoes loading and unloading, operation and management of transshipment of cargoes, transshipment and transportation of containers, and provision of container storage space), shuttle bus services, inspection centre services, construction services, electricity supply services, supervision services, surveying services, pollution prevention, manpower services relating to the appointment of seconded staff, leasing and maintenance of frontloaders, floating cranes and pontoons, logistics services, customs declaration and inspection declaration services, procurement and purchase of tyres and materials, leasing of assets, marketing centres services (which are mainly in the nature of market expansion, sales and promotion and external coordination) and all other ancillary and related services, by members of the GZ Port Company Group to GZ South China. The annual caps of the aggregate amount payable by GZ South China to the GZ Port Company Group for such services for the three years ended 31 December 2022, 2023 and 2024 were RMB159,235,000, RMB178,800,000 and RMB200,017,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was RMB52,402,000.

It was agreed that the terms (including without limitation, the service fees) for the provision of services by the members of the GZ Port Company Group shall be no less favourable to GZ South China (as service receiving party) than terms available to GZ South China from independent third parties for the relevant services, and the terms (including without limitation, the service fees) for the provision of services by GZ South China shall be no less favourable to GZ South China (as service providing party) than terms offered by it to independent third parties for the relevant services.

For further details, please refer to the announcements of the Company dated 29 October 2021 and 12 November 2021.

(4) GZ Port Holding Container Terminal Services Master Agreement entered into between GZ South China and Guangzhou Port Group Company Limited ("GZ Port Holding") on 12 November 2021 in respect of the provision of terminal related services, including but not limited to property management, property cleaning, pest control and garbage clean up services, provision of vehicle for staff commuting, safety management, security services, training services, printing services, marketing centres services (which are mainly in the nature of market expansion, sales and promotion and external coordination) and tourism and recuperation services, by GZ Port Holding and its subsidiaries, branches and associates (but excluding the GZ Port Company Group) (collectively, the "GZ Port Holding Group") to GZ South China.

The annual caps of the aggregate amount payable by GZ South China to GZ Port Holding Group for such services for the three years ended 31 December 2022, 2023 and 2024 were RMB24,452,000, RMB27,934,000 and RMB31,918,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was RMB20,865,000.

It was agreed that the terms (including without limitation, the service fees) for the provision of services by members of the GZ Port Holding Group shall be no less favourable to GZ South China than terms available to GZ South China from independent third parties for the relevant services.

For further details, please refer to the announcements of the Company dated 29 October 2021 and 12 November 2021.

(5) Lianyungang Terminal Services Master Agreement entered into between Lianyungang New Oriental International Terminals Co., Ltd. ("Lianyungang New Oriental", a subsidiary of the Company) and Lianyungang Port Group Co., Ltd. ("Lianyungang Port") on 29 October 2021 in respect of the following transactions:

(a) Provision of terminal related services, including but not limited to port facility leasing and maintenance services; project construction and supervision; port dredging operations; software development and systems integration; network technology services; environmental project supervision and environmental technology testing services; telecommunications construction projects; catering services; labour and technology services (loading and unloading, transportation, labour arrangement and manager appointment); measuring instrument testing and weighing equipment installation verification; supply of materials, electrical machinery and equipment and other appliances and products; waste materials recycling; gas and oil sales; port railway transportation; electricity and water supply for port area, by Lianyungang Port and its subsidiaries, branches and associates (but excluding Lianyungang New Oriental) (collectively, the "Lianyungang Port Group") to Lianyungang New Oriental. The annual caps of the aggregate amount payable by Lianyungang New Oriental to the Lianyungang Port Group for such services for the three years ended 31 December 2022, 2023 and 2024 were RMB93,092,000, RMB87,996,000 and RMB89,446,000 respectively. The total amount for the aforesaid transactions for the year ended 31 December 2024 was RMB62,751,000.

(b) Provision of terminal related services, including but not limited to container or bulk cargo handling (including barge), warehousing and storage, intra-port transfer, container consolidation and devanning; provision of shore electricity for vessels; port facilities and equipment and port machinery leasing; dangerous goods port operations (under the scope of the "Dangerous Goods Port Operation Approval Certificate"), by Lianyungang New Oriental to members of the Lianyungang Port Group. The annual caps (as revised and announced by the Company on 30 December 2022) of the aggregate amount receivable by Lianyungang New Oriental from the Lianyungang Port Group for such services for the three years ended 31 December 2022, 2023 and 2024 were RMB2,000,000, RMB3,300,000 and RMB4,300,000 respectively. The total amount for the aforesaid transactions for the year ended 31 December 2024 was RMB2,371,000.

It was agreed that the terms (including without limitation, the service fees) for the provision of services by the members of the Lianyungang Port Group shall be no less favourable to Lianyungang New Oriental (as service receiving party) than terms available to Lianyungang New Oriental from independent third parties for the relevant services, and the terms (including without limitation, the service fees) for the provision of services by Lianyungang New Oriental shall be no less favourable to Lianyungang New Oriental (as service providing party) than terms offered by it to independent third parties for the relevant services.

For further details, please refer to the announcements of the Company dated 29 October 2021 and 30 December 2022.

(6) TCT Terminal Services Master Agreement entered into between Tianjin Port Container Terminal Co., Ltd. ("Tianjin Container Terminal", a subsidiary of the Company) and Tianjin Port (Group) Co., Ltd. ("Tianjin Port Group") on 28 September 2022 in respect of the following transactions:

(a) Provision of terminal related services, including but not limited to stevedoring and ancillary services; port services for vessels (including but not limited to container service fees); port facilities, equipment and machinery leasing and maintenance; information services; labour and technical services; printing services; sales (including but not limited to gas, oil, electricity, water supply, materials and supplies); property management (including but not limited to housing rental, canteen catering services, hygiene and cleaning); pest control; engineering construction and supervision; surveying and mapping services; tender agency services; logistics services; medical examination services; safety management; training services; and all other ancillary and related services, by Tianjin Port Group and its subsidiaries, branches and associates from time to time (but excluding Tianjin Container Terminal) (collectively, the "TPG Group") to Tianjin Container Terminal. The annual caps of the aggregate amount payable by Tianjin Container Terminal to the TPG Group for such services (including the Supplies Agreements mentioned in section (4) below) for the three years ended 31 December 2022, 2023 and 2024 were RMB480,310,000, RMB527,271,000 and RMB540,274,000 respectively. The total amount for the aforesaid transactions (including those under the Supplies Agreements mentioned in section (4) below) for the year ended 31 December 2024 was RMB333,665,000.

(b) Provision of terminal related services, including but not limited to stevedoring; cargo storage services (excluding dangerous chemicals, dangerous goods and other items requiring licences and approvals); agency for international cargo transportation by land, sea and air; customs clearance services; inspection services; port services for vessels; cargo transportation by road (excluding dangerous goods); and all other ancillary and related services by Tianjin Container Terminal to members of the TPG Group. The annual caps of the aggregate amount receivable by Tianjin Container Terminal from the TPG Group for such services for the three years ended 31 December 2022, 2023 and 2024 were RMB194,321,000, RMB213,767,000 and RMB264,997,000 respectively. The total amount for the aforesaid transactions for the year ended 31 December 2024 was RMB192,322,000.

It was agreed that the terms (including without limitation, the service fees) for the provision of services by the members of the TPG Group shall be no less favourable to Tianjin Container Terminal (as service receiving party) than terms available to Tianjin Container Terminal from independent third parties for the relevant services, and the terms (including without limitation, the service fees) for the provision of services by Tianjin Container Terminal shall be no less favourable to Tianjin Container Terminal (as service providing party) than terms offered by it to independent third parties for the relevant services. The fees for the transactions shall be determined through fair negotiation between the relevant parties based on the above principle or (if applicable) in accordance with relevant laws and regulations.

For further details, please refer to the announcement of the Company dated 28 September 2022.

(7) CMA Terminal Services Master Agreement entered into between the Company and CMA CGM S.A. ("CMA CGM") on 29 September 2023 in respect of the provision of terminal services, including but not limited to handling, storage, stevedoring, transshipment, maintenance of cargoes, provision of container storage space and terminal premises, by members of the Group to CMA CGM and its subsidiaries, branches and associates from time to time (but excluding subsidiaries of the Company) (collectively, the "CMA Group").

The annual caps of the aggregate amount payable by CMA Group to the Group for such services for the period from 29 September 2023 to 31 December 2023 and for the year ended 31 December 2024 were RMB404,245,000 and RMB1,589,252,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was RMB1,460,872,000.

It was agreed that the transactions contemplated under the CMA Terminal Services Master Agreement shall be conducted on normal commercial terms, in particular, the service fees payable by the relevant members of the CMA Group shall be at rates no less favourable to the relevant members of the Group than those at which the relevant members of the Group charge independent third party customers for the relevant services.

For further details, please refer to the announcement of the Company dated 29 September 2023.

The continuing connected transactions contemplated under the Shipping and Terminal Related Services Master Agreements were part of or related to the principal business activities of the Group and were expected to either increase the revenue of the Group, and/or provide the Group with overall business and operational convenience and synergy.

Since COSCO SHIPPING is a controlling shareholder of the Company, members of the COSCO SHIPPING Group are connected persons of the Company at the issuer level.

Maersk A/S is an associate of a substantial shareholder of a subsidiary of the Company, and accordingly Maersk A/S and members of Maersk are connected persons of the Company at the subsidiary level.

GZ Port Company directly holds and GZ Port Holding indirectly holds a 41% equity interest in GZ South China, a subsidiary of the Company. Accordingly, GZ Port Company and GZ Port Holding are each a substantial shareholder of a subsidiary of the Company. Therefore, members of the GZ Port Company Group and GZ Port Holding Group are connected persons of the Company at the subsidiary level.

Lianyungang Port has a 45% equity interest in Lianyungang New Oriental, a subsidiary of the Company, and accordingly, Lianyungang Port is a substantial shareholder of a subsidiary of the Company. Therefore, members of the Lianyungang Port Group are connected persons of the Company at the subsidiary level.

Tianjin Port Group owns an indirect 41.69% equity interest in Tianjin Container Terminal, a subsidiary of the Company, and is therefore a substantial shareholder of a subsidiary of the Company. Accordingly, members of TPG Group are connected persons of the Company at the subsidiary level.

CMA CGM indirectly owns 100% equity interest in CMA Terminals Espagne S.A.S, which in turn owns 49% equity interests in COSCO SHIPPING Ports (Spain) Holding, S.L., a 51%-owned subsidiary of the Company, and accordingly, CMA CMG is a substantial shareholder of a subsidiary of the Company. Therefore, members of the CMA Group are connected persons of the Company at the subsidiary level.

The continuing connected transactions under the agreement numbered (1) above was subject to the reporting, annual review, announcement and independent shareholders' approval requirements and was approved by the independent shareholders of the Company at the special general meeting held on 28 December 2021, whilst the transactions under the agreements numbered (2) to (4), (6) and (7) were exempted from the independent shareholders' approval requirement (so far as applicable) under Rule 14A.101 of the Listing Rules.

In addition, the transactions under the agreement numbered (5) did not constitute continuing connected transactions of the Company for the year ended 31 December 2024, since members of the Lianyungang Port Group were persons connected with an insignificant subsidiary of the Company for the relevant period under Rule 14A.09 of the Listing Rules.

As the aforementioned Shipping and Terminal Related Services Master Agreements expired on 31 December 2024, and it was expected that the Group would continue to enter into transactions of similar nature to transactions under the Shipping and Terminal Related Services Master Agreements with the relevant counterparties, the relevant members of the Group had entered into new master agreements on 30 October 2024 as required to renew the Shipping and Terminal Related Services Master Agreements, each for a term of 3 years from 1 January 2025 to 31 December 2027. The transactions contemplated thereunder are subject to the reporting, annual review, announcement and independent shareholders' approval requirements (as the case may be) similarly as the Shipping and Terminal Related Services Master Agreements, and have (where applicable) been approved by the Company's independent shareholders at the Special General Meeting held on 20 December 2024. For further details, please refer to the announcement of the Company dated 30 October 2024 and the circular of the Company dated 3 December 2024.

### (4) Concession Agreement

On 25 November 2008, Piraeus Container Terminal Single Member S.A. ("PCT"), a wholly-owned subsidiary of the Company, as concessionaire and the Company as the sole shareholder of PCT entered into a concession agreement with Piraeus Port Authority S.A. ("PPA") as grantor, which was further amended by an amendment agreement dated 27 November 2014 that became effective on 20 December 2014 (the "Concession Agreement").

Pursuant to the Concession Agreement, in consideration of the payments contemplated thereunder (which include, among others, two fixed annual fees, and a variable annual concession fee based on the aggregate revenue of PCT for pier 2 of the Piraeus Port ("Pier 2") and pier 3 of the Piraeus Port ("Pier 3"), including, following construction of the western part of Pier 3, the turnover generated by the western part of Pier 3), (a) PPA agreed to grant a concession to PCT, (i) for the development, operation of Pier 2 and (ii) for the construction, operation and ultilisation of the eastern part of Pier 3 and the western part of Pier 3; and (b) PCT has agreed to construct and put into operation, on behalf of PPA, a new oil pier on the southern part of Pier 3 (at PPA's costs).

The concession is for an initial term of 30 years (which commenced on 1 October 2009), with a mandatory extension for a term of 5 years subject to PCT's fulfillment of its obligations to construct the eastern part of Pier 3 in accordance with the timetable agreed in the Concession Agreement. The estimated total consideration for the 35-year term of the Concession is Euro831,200,000.

In view of the commercial and strategic importance of the Piraeus Port, and the growth potential of the Piraeus Port Container Terminal, the Concession Agreement represents a good opportunity for the Company to invest in a major container outside China and is in line with the Company's strategy to become a leading global port operator.

PPA became a subsidiary of COSO SHIPPING (Hong Kong) on 10 August 2016. COSCO SHIPPING is a controlling shareholder of both the Company and COSCO SHIPPING (Hong Kong). Accordingly, PPA is a connected person of the Company. The continuing transactions under the Concession Agreement constituted continuing connected transactions of the Company under the Listing Rules since 10 August 2016.

## INTERNAL CONTROL MEASURES

As part of the Group's internal control systems to ensure that the transactions between the Group and its connected persons are conducted in accordance with the terms of their respective continuing connected transaction master agreements, the Company implemented the following internal control arrangements to the connected transactions conducted, where applicable:

(i) The relevant business unit of each subsidiary of the Company will periodically observe the market conditions and monitor the prevailing market prices including the pricings of contemporaneous transactions with independent third parties in respect of comparable types of products and/or services in the same or nearby area in the ordinary course of business, and evaluate if the transactions are no less favourable to the relevant member of the Group than those it could have obtained from independent third parties for similar types of goods and/or services.

(ii) The relevant departments in the head office of the Company and each subsidiary of the Company has a designated person to record the entering into of continuing connected transactions.

(iii) The Finance Division of the Company will prepare a "Summary for Continuing Connected Transactions" each quarter and organize meetings regularly to review and assess whether the relevant continuing connected transactions are conducted in accordance with the terms of their respective continuing connected transaction master agreements. After the "Summary for Continuing Connected Transactions" is reviewed by the relevant departments of the Company and the management, it will be submitted to the Audit Committee of the Company and the Board for further review.

(iv) The Audit & Supervision Division of the Company will monitor the risks related to continuing connected transactions by reviewing the minutes of important meetings of subsidiaries of the Company as well as accounting records to identify if the Group has any undisclosed connected transactions.

(v) The Audit & Supervision Division will also check the terms and implementation status of the Group's policies and requirements related to continuing connected transactions from time to time, including investigating the audited entities' processes for identification of connected persons and their procedures for dealing with continuing connected transactions. The Audit & Supervision Division is also responsible for monitoring the prices of the transactions with connected persons by reviewing samples of the relevant sales contracts and costs, etc., to ensure such prices are in compliance with the pricing policies under the terms of their respective continuing connected transaction master agreements.

(vi) Each relevant member of the Group shall monitor its own utilization of the portion of the annual transaction cap amount allocated to it by the Company (the "Designated Amount"). If the annual transaction amount of a relevant member of the Group reaches 80% of its Designated Amount, or is expected to exceed its Designated Amount within three months, such member shall inform the relevant personnel in the Finance Division and Legal & Compliance Division of the Company immediately and the Company shall determine the appropriate actions to be taken, such as (a) require such member not to enter any further transactions which would cause the Designated Amount to be exceeded; (b) increase the Designated Amount allocated to such member by reducing the Designated Amount(s) allocated to other member(s); or (c) if the accumulative annual transaction amount of the Group will exceed the relevant annual cap, the relevant member(s) of the Group shall provide sufficient reasons and cooperate with the Company to revise the annual cap and comply with the relevant requirements of the Listing Rules.

## OPINION FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THE CONTINUING CONNECTED TRANSACTIONS

Pursuant to Rule 14A.55 of the Listing Rules, Dr. FAN HSU Lai Tai, Rita, Mr. Adrian David LI Man Kiu, Mr. LAM Yiu Kin, Prof. CHAN Ka Lok and Mr. YANG Liang Yee Philip, independent non-executive directors of the Company, have reviewed the continuing connected transactions conducted by the Group during the year and opined that the transactions were:

– entered into in the ordinary and usual course of the Group's businesses;
– entered into on normal commercial terms or terms no less favourable to the Group than terms available from/to independent third parties; and
– entered into in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interest of the Shareholders as a whole.

## REPORT FROM THE AUDITOR ON THE CONTINUING CONNECTED TRANSACTIONS

For the purposes of Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to report on the above continuing connected transactions that are subject to annual review for the year ended 31 December 2024 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the such continuing connected transactions, in accordance with Rule 14A.56 of Listing Rules.

## AUDIT COMMITTEE

As at the date of this report, the Audit Committee of the Company consists of three independent non-executive directors.

The Audit Committee reviews the systems of internal controls throughout the Group, the completeness and accuracy of its financial statements and liaises on behalf of the Board with external auditor and the Group's internal auditor. During the year, members of the Audit Committee met regularly with the management, the external auditor and the Group's internal auditor, and reviewed the internal and external audit reports as well as the interim and annual consolidated financial statements of the Group.

## AUDITOR

The Financial Statements for the year ended 31 December 2024 were audited by PricewaterhouseCoopers. PricewaterhouseCoopers, the current auditor of the Company, will retire and will not be seeking for re-appointment at the forthcoming AGM.

On behalf of the Board

**ZHU Tao**
*Chairman and Managing Director*
Hong Kong, 21 March 2025

# INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of COSCO SHIPPING Ports Limited**

*(incorporated in Bermuda with limited liability)*

## OPINION

### What we have audited

The consolidated financial statements of COSCO SHIPPING Ports Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 120 to 222, comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Recoverability of carrying amounts of terminal assets, investments in joint ventures and associates; and
- Impairment assessment of goodwill.

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Recoverability of carrying amounts of terminal assets, investments in joint ventures and associates**<br><br>Refer to notes 3.8, 5(a), 7, 9, 10, 11 and 12 to the consolidated financial statements.<br><br>The Group is involved in terminals operation through subsidiaries, investments in joint ventures and associates in Hong Kong, Mainland China, Europe and other regions.<br><br>As at 31 December 2024, there were terminal assets with a total carrying value of property, plant and equipment of US$4,385 million, right-of-use assets of US$958 million, intangible assets of US$359 million, investments in joint ventures with a total carrying amount of US$1,083 million, and investments in associates with a total carrying amount of US$3,392 million.<br><br>Management performed assessment at the end of each reporting period whether there is any indication that the terminal assets, investments in joint ventures and associates may be impaired. Should indication of impairment exist, an impairment assessment will be performed accordingly. | Our procedures to evaluate the Group's assessments of recoverability of carrying amounts of terminal assets, investments in joint ventures and associates included:<br><br>• Understood the management's assessment process of impairment of terminal assets, investments in joint ventures and associates and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and judgements involved in determining the assumptions to be applied;<br><br>• Evaluated the Group's assessment as to whether any impairment indications exists in respect of the terminal assets, investments in joint ventures and associates;<br><br>• Evaluated the appropriateness of the value-in-use model adopted for the impairment assessments;<br><br>• Evaluated the outcome of prior period assessment of management's forecast to assess the effectiveness of management's estimation process;<br><br>• Challenged the reasonableness of key assumptions such as revenue growth rates, terminal growth rates and EBITDA margins applied by management by comparing to commercial contracts, available market reports and historical trend analyses, where applicable; |

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| The recoverable amounts of the terminal assets, investments in joint ventures and associates are measured at value-in-use which are based on future discounted cash flows on a cash generating unit.<br><br>Management has concluded that there was no impairment in respect of the terminal assets, investments in joint ventures and associates as at 31 December 2024.<br><br>This area is significant to our audit because of the significance of the carrying amounts of the assets and the significant management judgement involved in determining the value-in-use prepared based on future discounted cash flows under income approach. For terminal assets, investments in joint ventures and associates, the judgement focuses on revenue growth rates, terminal growth rates, EBITDA margins and discount rates. All these factors are with estimation uncertainties and may impact the results of the impairment assessments. | • Involved our internal valuation experts to assess the reasonableness of the discount rates applied by management in the impairment assessments and benchmarked the discount rates applied to other comparable companies in the same industry, where applicable;<br><br>• Agreed input data to supporting evidence, such as approved budgets, inflation rates, strategic plans and market data, where applicable; and<br><br>• Evaluated management's sensitivity of a reasonably possible change in the key assumptions, adopted in the discounted cash flow calculation to the recoverable amounts.<br><br>Based on the audit procedures performed, we found the key judgements and assumptions used in the impairment identification and assessments to be supported by the available evidence. |

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Impairment assessment of goodwill**<br><br>Refer to notes 3.7(a), 5(b) and 10 to the consolidated financial statements.<br><br>As at 31 December 2024, the Group had a balance of goodwill of US$179 million.<br><br>Management tests whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 3.7(a). The recoverable amounts of cash generating units ("CGUs") have been determined based on value-in-use or fair value less costs of disposal calculations. The value-in-use calculations or fair value less costs of disposal calculations use cash flow projections based on financial budgets approved by management which involve judgement by management such as determining the discount rates, revenue growth rates, terminal growth rates and operating margins. Changes in these assumptions may impact the recoverable amount of goodwill. Management concluded that the goodwill was not impaired.<br><br>We focused on this area as the assessments involved significant judgements, including the revenue growth rates, terminal growth rates, operating margins and discount rates applied to the estimates of the recoverable amount. All these factors are with estimation uncertainties and may impact the results of the impairment assessments. | Our procedures to evaluate the Group's impairment assessment of goodwill included:<br><br>• Understood the management's assessment process of impairment of goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and judgements involved in determining the assumptions to be applied;<br><br>• Evaluated the appropriateness of the value-in-use or fair value less costs of disposal model adopted for the impairment assessments;<br><br>• Evaluated the outcome of prior period assessment of management's forecast to assess the effectiveness of management's estimation process;<br><br>• Challenged the reasonableness of key assumptions such as revenue growth rates, terminal growth rates and operating margins applied by management by comparing to commercial contracts, available market reports and historical trend analyses, where applicable;<br><br>• Involved our internal valuation experts to evaluate the valuation methodologies and assess the reasonableness of the discount rates applied by management in the impairment assessments and benchmarked the discount rates applied to other comparable companies in the same industry, where applicable;<br><br>• Agreed input data to supporting evidence, such as approved budgets, inflation rates, strategic plans and market data, where applicable;<br><br>• Evaluated management's sensitivity of a reasonably possible change in the key assumptions adopted in the discounted cash flow calculation to the recoverable amounts; and<br><br>• Assessed the adequacy of the disclosures related to impairment of goodwill in the context of the applicable financial reporting framework.<br><br>Based on the audit procedures performed, we found the key judgements and assumptions used in the impairment assessments to be supported by the available evidence. |

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Nim Tsz Elizabeth.

**PricewaterhouseCoopers**
*Certified Public Accountants*

Hong Kong, 21 March 2025

# CONSOLIDATED BALANCE SHEET

As at 31 December 2024

| | Note | 2024 US$'000 | 2023 US$'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 7 | **4,385,069** | 4,143,919 |
| Right-of-use assets | 9 | **958,353** | 1,003,805 |
| Investment properties | 8 | **88,839** | 90,580 |
| Intangible assets | 10 | **359,053** | 394,733 |
| Joint ventures | 11 | **1,083,123** | 1,060,374 |
| Associates | 12 | **3,392,014** | 3,343,432 |
| Loans to associates | 12 | **116,989** | 32,181 |
| Financial asset at fair value through profit or loss | 13 | **55,905** | 53,745 |
| Financial assets at fair value through other comprehensive income | 14 | **152,167** | 139,022 |
| Deferred tax assets | 15 | **96,135** | 102,115 |
| Other non-current assets | | **65,668** | 29,676 |
| | | **10,753,315** | 10,393,582 |
| **Current assets** | | | |
| Inventories | 16 | **19,766** | 19,817 |
| Trade and other receivables, prepayments and contract assets | 17 | **210,873** | 303,954 |
| Current tax recoverable | | **8,199** | 3,791 |
| Derivative financial instruments | | **–** | 2,698 |
| Restricted bank deposits | 36(c) | **21,823** | 45,113 |
| Cash and cash equivalents | 36(c) | **1,007,410** | 1,162,926 |
| | | **1,268,071** | 1,538,299 |
| **Total assets** | | **12,021,386** | 11,931,881 |
| **Equity** | | | |
| **Capital and reserves attributable to the equity holders of the Company** | | | |
| Share capital | 19 | **48,279** | 45,742 |
| Reserves | | **5,882,360** | 5,724,989 |
| | | **5,930,639** | 5,770,731 |
| **Non-controlling interests** | | **1,114,608** | 1,071,794 |
| **Total equity** | | **7,045,247** | 6,842,525 |

| | Note | **2024 US$'000** | 2023 US$'000 |
|---|---|---|---|
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | 15 | **144,187** | 142,486 |
| Lease liabilities | 9 | **744,318** | 762,332 |
| Long term borrowings | 21 | **2,837,762** | 2,275,593 |
| Loans from non-controlling shareholders of subsidiaries | 22 | **58,264** | 556 |
| Put option liability | 25 | **–** | 246,013 |
| Pension and retirement liabilities | 26 | **18,332** | 13,895 |
| Other long term liabilities | 23 | **42,779** | 41,176 |
| | | **3,845,642** | 3,482,051 |
| **Current liabilities** | | | |
| Trade and other payables and contract liabilities | 24 | **538,593** | 577,427 |
| Current tax liabilities | | **15,362** | 22,643 |
| Current portion of lease liabilities | 9 | **46,633** | 48,197 |
| Current portion of long term borrowings | 21 | **81,468** | 617,710 |
| Short term borrowings | 21 | **195,251** | 341,328 |
| Put option liability | 25 | **253,190** | – |
| | | **1,130,497** | 1,607,305 |
| **Total liabilities** | | **4,976,139** | 5,089,356 |
| **Total equity and liabilities** | | **12,021,386** | 11,931,881 |

On behalf of the Board

**ZHU Tao**
*Chairman and Managing Director*

The accompanying notes on pages 128 to 222 are an integral part of these consolidated financial statements.

# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

| | Note | **2024 US$'000** | 2023 US$'000 |
|---|---|---|---|
| Revenues | 6 | **1,502,989** | 1,454,353 |
| Cost of sales | | **(1,086,164)** | (1,033,491) |
| **Gross profit** | | **416,825** | 420,862 |
| Administrative expenses | | **(168,776)** | (164,596) |
| Other operating income | 27 | **59,245** | 39,466 |
| Other operating expenses | | **(40,171)** | (20,916) |
| **Operating profit** | 28 | **267,123** | 274,816 |
| Finance income | 29 | **29,203** | 27,998 |
| Finance costs | 29 | **(152,451)** | (171,189) |
| Operating profit (after finance income and costs) | | **143,875** | 131,625 |
| Share of profits less losses of | | | |
| – joint ventures | | **57,173** | 61,805 |
| – associates | | **262,942** | 236,056 |
| **Profit before taxation** | | **463,990** | 429,486 |
| Taxation | 30 | **(73,057)** | (35,206) |
| **Profit for the year** | | **390,933** | 394,280 |
| Profit attributable to: | | | |
| Equity holders of the Company | | **308,816** | 324,557 |
| Non-controlling interests | | **82,117** | 69,723 |
| | | **390,933** | 394,280 |
| Earnings per share for profit attributable to equity holders of the Company | | | |
| – Basic | 31 | **US8.50 cents** | US9.33 cents |
| – Diluted | 31 | **US8.50 cents** | US9.33 cents |

The accompanying notes on pages 128 to 222 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

| | 2024<br>US$'000 | 2023<br>US$'000 |
|---|---|---|
| **Profit for the year** | **390,933** | 394,280 |
| **Other comprehensive income** | | |
| *Items that will not be reclassified subsequently to profit or loss* | | |
| Exchange differences from retranslation of financial statements of subsidiaries attributable to the non-controlling interests | **(19,486)** | (10,597) |
| Share of other comprehensive loss of an associate | | |
| – other reserves | **(1,643)** | (4,238) |
| Changes in the fair value of financial assets at fair value through other comprehensive income ("FVOCI"), net of tax | **12,316** | 1,599 |
| Remeasurement of retirement benefit obligation | **(1,043)** | (2,126) |
| *Items that may be reclassified to profit or loss* | | |
| Exchange differences from retranslation of financial statements of subsidiaries, joint ventures and associates attributable to equity holders of the Company | **(80,186)** | (5,320) |
| Cash flow hedges, net of tax | | |
| – fair value loss | **(6,043)** | (2,549) |
| Share of other comprehensive loss of joint ventures and associates | | |
| – exchange reserves | **(3,307)** | (4,302) |
| – other reserves | **(2,972)** | (543) |
| **Other comprehensive loss for the year, net of tax** | **(102,364)** | (28,076) |
| **Total comprehensive income for the year** | **288,569** | 366,204 |
| **Total comprehensive income attributable to:** | | |
| Equity holders of the Company | **227,388** | 309,541 |
| Non-controlling interests | **61,181** | 56,663 |
| | **288,569** | 366,204 |

The accompanying notes on pages 128 to 222 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

| | Share capital US$'000 | Share premium US$'000 | Capital reserve US$'000 | Contributed surplus US$'000 | Financial assets at FVOCI reserve US$'000 | Properties revaluation reserve US$'000 | Exchange reserve US$'000 | Other reserves US$'000 | Retained profits US$'000 | Total reserves US$'000 | Non-controlling interests US$'000 | Total US$'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total equity at 31 December 2023 | 45,742 | 2,076,078 | (278,505) | 115 | 1,384 | 10,699 | (493,667) | 65,728 | 4,343,157 | 5,724,989 | 1,071,794 | 6,842,525 |
| Profit for the year | - | - | - | - | - | - | - | - | 308,816 | 308,816 | 82,117 | 390,933 |
| Exchange differences from retranslation of financial statements of subsidiaries, joint ventures and associates | - | - | - | - | - | - | (80,186) | - | - | (80,186) | (19,486) | (99,672) |
| Changes in the fair value of financial assets at FVOCI, net of tax | - | - | - | - | 12,275 | - | - | - | - | 12,275 | 41 | 12,316 |
| Cash flow hedges, net of tax | - | - | - | - | - | - | - | (5,083) | - | (5,083) | (960) | (6,043) |
| Remeasurement of retirement benefit obligation | - | - | - | - | - | - | - | (512) | - | (512) | (531) | (1,043) |
| Share of other comprehensive loss of joint ventures and associates | - | - | - | - | - | - | (3,307) | (4,615) | - | (7,922) | - | (7,922) |
| Total comprehensive income for the year | - | - | - | - | 12,275 | - | (83,493) | (10,210) | 308,816 | 227,388 | 61,181 | 288,569 |
| Issue of shares on settlement of scrip dividends | 2,537 | 107,009 | - | - | - | - | - | - | - | 107,009 | - | 109,546 |
| Partial disposal of a subsidiary | - | - | (6,619) | - | - | - | 5,273 | - | - | (1,346) | 50,635 | 49,289 |
| Liquidation of financial assets at FVOCI | - | - | - | - | - | - | - | 149 | (149) | - | - | - |
| Put option liability movement | - | - | - | - | - | - | - | - | (7,177) | (7,177) | - | (7,177) |
| Share of reserve of joint ventures and associates | - | - | (40,373) | - | - | - | - | - | - | (40,373) | - | (40,373) |
| Dividends paid to equity holders of the Company | | | | | | | | | | | | |
| – 2023 second interim | - | - | - | - | - | - | - | - | (70,844) | (70,844) | - | (70,844) |
| – 2024 first interim | - | - | - | - | - | - | - | - | (57,286) | (57,286) | - | (57,286) |
| Dividends paid to non-controlling shareholders of subsidiaries | - | - | - | - | - | - | - | - | - | - | (69,002) | (69,002) |
| | 2,537 | 107,009 | (46,992) | - | 12,275 | - | (78,220) | (10,061) | 173,360 | 157,371 | 42,814 | 202,722 |
| At 31 December 2024 | 48,279 | 2,183,087 | (325,497) | 115 | 13,659 | 10,699 | (571,887) | 55,667 | 4,516,517 | 5,882,360 | 1,114,608 | 7,045,247 |
| Representing: | | | | | | | | | | | | |
| Share capital | 48,279 | - | - | - | - | - | - | - | - | - | | |
| Reserves | - | 2,183,087 | (325,497) | 115 | 13,659 | 10,699 | (571,887) | 55,667 | 4,447,308 | 5,813,151 | | |
| 2024 second interim dividend declared | - | - | - | - | - | - | - | - | 69,209 | 69,209 | | |
| | 48,279 | 2,183,087 | (325,497) | 115 | 13,659 | 10,699 | (571,887) | 55,667 | 4,516,517 | 5,882,360 | | |

# Consolidated Statement of Changes in Equity

| | Share capital US$'000 | Share premium US$'000 | Share option reserve US$'000 | Capital reserve US$'000 | Contributed surplus US$'000 | Financial assets at FVOCI reserve US$'000 | Properties revaluation reserve US$'000 | Exchange reserve US$'000 | Other reserves US$'000 | Retained profits US$'000 | Total reserves US$'000 | Non-controlling interests US$'000 | Total US$'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total equity at 1 January 2023 | 44,172 | 2,001,907 | 4,760 | (251,782) | 115 | (147) | 10,699 | (484,045) | 72,653 | 4,133,671 | 5,487,831 | 1,107,170 | 6,639,173 |
| Profit for the year | – | – | – | – | – | – | – | – | – | 324,557 | 324,557 | 69,723 | 394,280 |
| Exchange differences from retranslation of financial statements of subsidiaries, joint ventures and associates | – | – | – | – | – | – | – | (5,320) | – | – | (5,320) | (10,597) | (15,917) |
| Changes in the fair value of financial assets at FVOCI, net of tax | – | – | – | – | – | 1,531 | – | – | – | – | 1,531 | 68 | 1,599 |
| Cash flow hedges, net of tax | – | – | – | – | – | – | – | – | (1,166) | – | (1,166) | (1,383) | (2,549) |
| Remeasurement of retirement benefit obligation | – | – | – | – | – | – | – | – | (978) | – | (978) | (1,148) | (2,126) |
| Share of other comprehensive loss of joint ventures and associates | – | – | – | – | – | – | – | (4,302) | (4,781) | – | (9,083) | – | (9,083) |
| Total comprehensive income for the year | – | – | – | – | – | 1,531 | – | (9,622) | (6,925) | 324,557 | 309,541 | 56,663 | 366,204 |
| Issue of shares on settlement of scrip dividends | 1,570 | 74,171 | – | – | – | – | – | – | – | – | 74,171 | – | 75,741 |
| Acquisition of additional interest in a subsidiary | – | – | – | (27,519) | – | – | – | – | – | – | (27,519) | (97,185) | (124,704) |
| Share based compensation | – | – | (57) | – | – | – | – | – | – | – | (57) | – | (57) |
| Transfer of share option reserve upon the expiry of share options | – | – | (4,703) | – | – | – | – | – | – | 4,703 | – | – | – |
| Acquisition of subsidiaries | – | – | – | – | – | – | – | – | – | – | – | 62,421 | 62,421 |
| Repayment of an equity loan from a non-controlling shareholder | – | – | – | – | – | – | – | – | – | – | – | (4,300) | (4,300) |
| Put option liability movement | – | – | – | – | – | – | – | – | – | (6,974) | (6,974) | – | (6,974) |
| Share of reserve of joint ventures and associates | – | – | – | 796 | – | – | – | – | – | – | 796 | – | 796 |
| Dividends paid to equity holders of the Company | | | | | | | | | | | | | |
| – 2022 second interim | – | – | – | – | – | – | – | – | – | (51,746) | (51,746) | – | (51,746) |
| – 2023 first interim | – | – | – | – | – | – | – | – | – | (61,054) | (61,054) | – | (61,054) |
| Dividends paid to non-controlling shareholders of subsidiaries | – | – | – | – | – | – | – | – | – | – | – | (52,975) | (52,975) |
| | 1,570 | 74,171 | (4,760) | (26,723) | – | 1,531 | – | (9,622) | (6,925) | 209,486 | 237,158 | (35,376) | 203,352 |
| At 31 December 2023 | 45,742 | 2,076,078 | – | (278,505) | 115 | 1,384 | 10,699 | (493,667) | 65,728 | 4,343,157 | 5,724,989 | 1,071,794 | 6,842,525 |
| Representing: | | | | | | | | | | | | | |
| Share capital | 45,742 | – | – | – | – | – | – | – | – | – | – | | |
| Reserves | – | 2,076,078 | – | (278,505) | 115 | 1,384 | 10,699 | (493,667) | 65,728 | 4,272,313 | 5,654,145 | | |
| 2023 second interim dividend declared | – | – | – | – | – | – | – | – | – | 70,844 | 70,844 | | |
| | 45,742 | 2,076,078 | – | (278,505) | 115 | 1,384 | 10,699 | (493,667) | 65,728 | 4,343,157 | 5,724,989 | | |

The accompanying notes on pages 128 to 222 are an integral part of these consolidated financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

| | Note | **2024 US$'000** | 2023 US$'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 36(a) | **457,635** | 521,170 |
| Interest received | | **34,718** | 24,878 |
| Tax refunded | | **299** | 6,136 |
| Tax paid | | **(84,074)** | (69,737) |
| **Net cash generated from operating activities** | | **408,578** | 482,447 |
| **Cash flows from investing activities** | | | |
| Dividends received from joint ventures | | **55,948** | 70,791 |
| Dividends received from associates | | **232,923** | 181,494 |
| Dividends received from listed and unlisted financial assets at FVOCI | | **2,346** | 2,154 |
| Subsidies related to property, plant and equipment | | **9,466** | 8,258 |
| Acquisition of an associate | | **(15,032)** | (50,593) |
| Acquisition of a joint venture | | **(8,750)** | – |
| Capital injection of associates | | **(72,019)** | (3,394) |
| Net cash paid for purchase of subsidiaries, net of cash and cash equivalent acquired | 38(a) | **–** | (79,715) |
| Purchase of property, plant and equipment and intangible assets | | **(435,086)** | (346,466) |
| Proceeds from disposal of property, plant and equipment and right-of-use assets | | **3,523** | 1,714 |
| Repayment of loan to an associate | | **1,812** | 1,770 |
| Repayment of loan to a joint venture | | **–** | 22,942 |
| Advances of loan to an associate | | **–** | (21,458) |
| **Net cash used in investing activities** | | **(224,869)** | (212,503) |

| | Note | 2024<br>US$'000 | 2023<br>US$'000 |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Repayment of an equity loan from a non-controlling shareholder of a subsidiary | | **–** | (4,300) |
| Dividends paid to equity holders of the Company | | **(18,748)** | (36,068) |
| Dividends paid to non-controlling shareholders of subsidiaries | | **(64,620)** | (52,975) |
| Interest paid | | **(165,609)** | (152,615) |
| Changes in restricted bank deposits | | **22,571** | 1,782 |
| Loans drawn down | 36(d) | **1,158,880** | 1,376,793 |
| Loans repaid | 36(d) | **(1,233,415)** | (1,078,098) |
| Loans repaid to non-controlling shareholders of subsidiaries | 36(d) | **–** | (16,946) |
| Loans drawn down by an associate and a joint venture | 36(d) | **–** | 38,767 |
| Loans repaid to an associate and a joint venture | 36(d) | **(21,178)** | (57,327) |
| Other incidental borrowing costs paid | | **(1,245)** | (1,699) |
| Principal elements of lease payment | 36(d) | **(22,456)** | (21,926) |
| Payment of lease interest | 36(d) | **(28,589)** | (27,950) |
| Acquisition of additional interests in a subsidiary | | **–** | (120,997) |
| Proceed from partial disposal of a subsidiary | 39 | **49,289** | – |
| Repayment of an amount due to a related company | | **–** | (22,609) |
| **Net cash used in financing activities** | | **(325,120)** | (176,168) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(141,411)** | 93,776 |
| Cash and cash equivalents at 1 January | | **1,162,926** | 1,069,317 |
| Exchange differences | | **(14,105)** | (167) |
| **Cash and cash equivalents at 31 December** | | **1,007,410** | 1,162,926 |
| **Analysis of cash and cash equivalents** | | | |
| Time deposits, bank balances and cash | | **1,007,410** | 1,162,926 |

The accompanying notes on pages 128 to 222 are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

COSCO SHIPPING Ports Limited (the "Company") and its subsidiaries (collectively the "Group") are principally engaged in the businesses of managing and operating terminals and their related businesses. The Company is a limited liability company incorporated in Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and its registered office is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.

The intermediate holding company of the Company is COSCO SHIPPING Holdings Co., Ltd. ("COSCO SHIPPING Holdings"), a company established in the People's Republic of China (the "PRC") with its H-Shares and A-Shares listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange respectively. The immediate holding company and ultimate holding company of COSCO SHIPPING Holdings are China Ocean Shipping Co., Ltd ("COSCO") and China COSCO SHIPPING Corporation Limited ("COSCO SHIPPING"), state-owned enterprises established in the PRC, respectively.

These consolidated financial statements have been approved for issue by the Board of Directors on 21 March 2025.

## 2 BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") as issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622. These accounting policies have been consistently applied to all the years presented unless otherwise mentioned.

The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities (including financial asset at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative instruments) and investment properties measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

### 2.1 Adoption of amendments and interpretation to existing standards

In 2024, the Group has adopted the following amendments and interpretation issued by the HKICPA which are mandatory for the financial year beginning on 1 January 2024:

#### Amendments and interpretation

| | |
|---|---|
| HKAS 1 (Amendments) | Classification of Liabilities as Current or Non-current |
| HKAS 1 (Amendments) | Non-current Liabilities with Covenants |
| HKFRS 16 (Amendments) | Lease Liability in a Sale and Leaseback |
| HK Int 5 (Revised) | Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause |

The adoption of the above amendments and interpretation in the current year did not have any significant effect on the consolidated financial statements or result in any substantial changes in the Group's accounting policies.

## 2 BASIS OF PREPARATION (CONTINUED)

### 2.2 New standards, interpretation and amendments to existing standards that are not yet effective for the year ended 31 December 2024 and have not been early adopted by the Group

The HKICPA has issued the following new standards, amendments and interpretation which are not yet effective for the year ended 31 December 2024:

| New standards, interpretation and amendments | | Effective for accounting periods beginning on or after |
|---|---|---|
| HKFRS 1 and HKAS 21 (Amendments) | Lack of exchangeability | 1 January 2025 |
| HKFRS 7 and 9 (Amendments) | Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| HKFRS 1, 7, 9, 10 and HKAS 7 (Amendments) | Annual Improvements to HKFRS Accounting Standards – Volume 11 | 1 January 2026 |
| HKFRS 18 | Presentation and disclosure in Financial Statements | 1 January 2027 |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| HK Int 5 (Revised) | Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause | 1 January 2027 |
| HKFRS 10 and HKAS 28 (Amendments) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined |

The Group has not early adopted the above new standards, interpretation and amendments and will apply when they become effective. The Group has already commenced an assessment of the related impact to the Group, certain of which may give rise to change in presentation and disclosure of certain items in the consolidated financial statements.

# 3 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

## 3.1 Principles of consolidation and equity accounting

### (a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

### (b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

### (c) Joint ventures

Joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

### (d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy stated in note 3.8.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.1 Principles of consolidation and equity accounting (Continued)

### (e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in capital reserve within equity attributable to owners of the Company.

### (f) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

## 3.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, is identified as the executive directors of the Company.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.3 Foreign currency translation

### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollar ("US dollar"), which is Company's functional and presentation currency.

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the consolidated income statement on a net basis within other operating income/(expenses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

### (c) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Freehold land with unlimited useful life is not depreciated.

Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to the residual values of respective property, plant and equipment over their estimated useful lives, as follows:

| | |
|---|---|
| Leasehold land | Remaining period of the lease |
| Buildings | 25 to 50 years |
| Leasehold improvements | 5 years or the remaining period of the lease, whichever is shorter |
| Other property, plant and equipment | 5 to 30 years |

Other property, plant and equipment includes plant and machinery with estimated useful lives ranging from 5 to 30 years, and furniture, fixtures and equipment and motor vehicles with estimated useful lives ranging from 5 to 10 years.

No depreciation is provided for construction in progress. Construction in progress is transferred to relevant categories of property, plant and equipment upon the completion of the related construction works and depreciation will then be commenced accordingly.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss on disposal of property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated income statement.

## 3.5 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.5 Leases (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to decide on whether to exercise an extension option (or not to exercise a termination option). Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.5 Leases (Continued)

Some concession leases contain variable payment terms that are linked to revenue or throughput generated from a port. For individual ports, lease payments are on the basis of variable payment terms with a wide range of percentages applied. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for port operations. Variable lease payments that depend on revenue or throughput are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs, and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mainly comprise IT equipment.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

## 3.6 Investment properties

Land and buildings that are held for long term rental yields or for capital appreciation or both, and that is not occupied by the companies of the Group, is classified as investment property.

Investment properties are measured initially at cost, including related transaction costs. After initial recognition, investment properties are carried at fair value representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Change in fair value is recognised in the consolidated income statement. The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purpose.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.7 Intangible assets

### (a) Goodwill

Goodwill is measured as described in note 3.1(f) above. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

### (b) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful lives of 5 years on a straight-line basis.

Costs associated with developing or maintaining computer software programmes which do not generate economic benefits exceeding costs beyond one year are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer systems under development are transferred to computer software upon the completion of the respective development and amortisation will then be commenced accordingly over the estimated useful lives of 5 years on a straight-line basis.

### (c) Concession rights

Concession rights are resulted from the entering of agreement for the right to construct, operate, manage and develop container terminals. Concession rights are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line basis over the period of operation of approximately 23 to 32 years.

### (d) Customer relationships

Customer relationships, which are acquired in a business combination, are recognised at fair value at the acquisition date. Customer relationships are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationships, ranging from approximately 12 to 20 years.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.8 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## 3.9 Investments and other financial assets

### (a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Financial assets at FVPL include financial assets held for trading and financial assets designated upon recognition as financial assets at FVPL. Financial assets at FVPL are carried in the consolidated balance sheet at fair value with net changes in fair value recognised in the consolidated income statement in the period in which they arise. These net fair value changes do not include any interest income on these financial assets. Financial assets at FVPL are designated at the date of initial recognition and only if the criteria under HKFRS 9 are satisfied.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### (b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.9 Investments and other financial assets (Continued)

### (c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

***Debt instruments***

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as amortised cost for assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and measures at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating income/(expenses) together with foreign exchange gains and losses.

***Equity instruments***

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other operating income/(expenses) in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### (d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. For other financial assets at amortised cost and debt instruments at FVOCI, the provision for these financial assets will be determined based on whether their credit risk are low at each reporting date, and, if so, by recognising a 12-month expected losses amount. If the financial asset is not subsequently of a low credit risk, the corresponding provision for doubtful debts will be recognised as equal to lifetime expected losses.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## 3.11 Inventories

Inventories include resaleable containers and consumable parts for terminal operations. Inventories are stated at the lower of cost and net realisable value. Costs are calculated on weighted average basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

## 3.12 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

## 3.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

## 3.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 3.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.16 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

## 3.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 3.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

## 3.19 Current and deferred taxation

The taxation expense or credit for the year comprises current and deferred taxation. Taxation is recognised in the consolidated income statement, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the taxation is also recognised in OCI or directly in equity, respectively.

### (a) Current taxation

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group, its joint ventures and its associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.19 Current and deferred taxation (Continued)

### (b) Deferred taxation

***Inside basis differences***

Deferred taxation is recognised (provided) in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred taxation is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

***Outside basis differences***

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to taxation levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.20 Employee benefits

### (a) Retirement benefit costs

The Group contributes to both defined contribution and defined benefit retirement schemes. The assets of the schemes are held separately from those of the Group in independently administered funds.

***Defined contribution retirement schemes***

Pursuant to the relevant regulations of the government authorities in different territories where the Group has employees, the Group participates in respective government benefit schemes whereby the Group is required to contribute to the schemes for the retirement benefits of eligible employees. The government authorities of the respective countries are responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Group with respect to the schemes is to pay the ongoing contributions required by the schemes.

Contributions made to the schemes are calculated either based on certain percentages of the applicable payroll costs or fixed sums that are determined with reference to salary scale as stipulated under the requirements of the respective countries.

The Group's contributions to the aforesaid defined contribution retirement schemes are charged to the consolidated income statement as incurred.

***Defined benefit retirement schemes***

The liability recognised in the consolidated balance sheet in respect of defined benefit retirement schemes is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit retirement scheme, recognised in the consolidated income statement in staff costs, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in the consolidated income statement.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in staff costs in the consolidated income statement.

## 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 3.20 Employee benefits (Continued)

#### (a) Retirement benefit costs (Continued)

***Defined benefit retirement schemes (Continued)***

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited directly to other comprehensive income in the period in which they occur.

Employee early retirement benefits have been paid to those employees who accept voluntary retirement before the normal retirement date as approved by management. The related benefit payments are made from the date of early retirement through the normal retirement date.

Certain defined benefit schemes require employees to contribute to reduce the cost of the benefits to the Group. Contributions from employees are linked to service and hence, the contributions reduce service cost. The Group attributes the contributions from employees to periods of service on a straight-line basis.

#### (b) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (c) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

### 3.21 Revenue recognition

#### (a) Revenue for ports and related services

Revenue for ports and related services is recognised over time in which the services are rendered as the Group's performance provides all of the benefits received and consumed simultaneously by the customer. Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Accumulated experience is used to estimate and provide for the discounts, using either the expected value or the most likely amount approach, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability (included in trade and other payables and contract liabilities) is recognised for expected volume discounts to customers in relation to sales made until the end of the reporting period.

# 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.21 Revenue recognition (Continued)

### (b) Rental income from investment properties

Rental income from investment properties is recognised on a straight-line basis over the period of each lease and is recognised in the consolidated income statement within other operating income.

### (c) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### (d) Dividend income

Dividend income is recognised when the right to receive payment is established and is recognised in the consolidated income statement within other operating income.

## 3.22 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset, until such time as the asset is substantially ready for its intended use or sale.

All other borrowing costs are charged to the consolidated income statement in the period in which they are incurred.

## 3.23 Subsidy

Subsidies are recognised at their fair value where there is a reasonable assurance that the subsidy will be received and the Group will comply with all attached conditions. Subsidies relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Subsidy relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

## 3.24 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

# 4 FINANCIAL RISK MANAGEMENT

## 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under direction by the Boards of Directors. The directors and management identify, evaluate and hedge financial risks in close co-operation with the Group's operating units. The Group has principles for overall risk management, such as foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments.

### (a) Market risk

#### *(i) Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Renminbi and Euro. Foreign exchange risk mainly arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The foreign exchange risk faced by the Group primarily arises from non-functional currency bank balances, receivable and payable balances and borrowings (collectively "Non-Functional Currency Items"). Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Under the Linked Exchanged Rate System in Hong Kong and the monetary policy of the Central Bank of the United Arab Emirates, Hong Kong dollar and United Arab Emirates Dirham are pegged to the US dollar respectively, management therefore considers that there are no significant foreign exchange risk with respect to Hong Kong dollar and United Arab Emirates Dirham.

With all other variables held constant, if the currencies (except for Hong Kong dollar and United Arab Emirates Dirham) of Non-Functional Currency Items had weakened/ strengthened by 5% against the US dollar, the Group's profit after taxation for the year would have increased/decreased US$660,000 (2023: US$2,839,000) as a result of the translation of those Non-Functional Currency Items.

#### *(ii) Price risk*

The Group is exposed to price risk arises from investments held by the Group and classified in the consolidated balance sheet as financial assets at FVPL and FVOCI. Management monitors the market conditions and securities price fluctuations and response so as to minimise adverse effects on the Group's financial performance.

A 10% increase/decrease in the price of the financial asset at FVPL would increase/decrease the Group's profit after taxation by US$4,193,000 (2023: US$4,031,000).

A 10% increase/decrease in the price of the financial assets at FVOCI would increase/ decrease the other comprehensive income by US$11,699,000 (2023: US$10,617,000).

# 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

## 4.1 Financial risk factors (Continued)

### (a) Market risk (Continued)

#### *(iii) Interest rate risk*

Other than bank balances and loans to a joint venture and associates (collectively "Interest Bearing Assets"), the Group has no significant interest bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from loans from a joint venture, loans from an associate, loans from non-controlling shareholders of subsidiaries, long term and short term borrowings (collectively "Interest Bearing Liabilities"). Borrowings are primarily issued at variable rates which therefore expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Generally, the Group raises long term and short term borrowings at floating rates as well as fixed rates, based upon the capital market conditions and the Group's internal requirements. Interest rate swaps with financial institutions are used to achieve the optimum ratio between fixed and floating rates and to manage the related interest rate exposure.

With all other variables held constant, if the interest rate had increased/decreased by 50 basis-points, the corresponding increase/decrease in net finance costs (representing interest expenses on Interest Bearing Liabilities net of interest income on the Interest Bearing Assets) would have been approximately US$9,400,000 (2023: US$8,746,000).

### (b) Credit risk

#### *(i) Risk management*

The Group's maximum exposure to credit risk in relation to financial assets at the reporting date is the carrying amounts of bank balances and cash, restricted bank deposits, trade and other receivables and contract assets, loans to associates and loan to a joint venture.

There is no concentration of credit risk with respect to trade receivables from third party customers as the Group has a large number of customers which are internationally dispersed. The Group limits its exposure to credit risk through performing credit reviews and monitoring the financial strength of its major customers and generally does not require collateral on trade receivables.

Customer credit limit is assessed by the credit and risk management department with reference to their financial positions, historical credit references and other factors. This limit will be reviewed and adjusted, if circumstances required, to comply with the Group's credit and risk management policy.

No credit limits were exceeded during the year, and management does not expect any significant losses from non-performance by these relevant parties.

# 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

## 4.1 Financial risk factors (Continued)

### (b) Credit risk (Continued)

#### *(i) Risk management (Continued)*

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Trade receivables are measured at an amount equal to the lifetime expected credit losses. Other receivables are measured as either 12 months expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available.

In addition, the Group monitors the exposure to credit risk in respect of the financial assistance provided to subsidiaries, joint ventures and associates through exercising control or influence over their financial and operating policy decisions and reviewing their financial positions on a regular basis. No significant increase in credit risk since initial recognition, and therefore the impairment provision is determined as 12 months expected credit losses.

For bank balances and cash, the Group has limited its credit exposure by restricting their selection of financial institution on those reputable local banks or state-owned banks with sound credit ratings. Management considers theses balances are subject to low credit risk.

No other financial assets carry a significant exposure to credit risk.

#### *(ii) Maximum exposure and year-end staging*

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which was mainly based on past due information unless other information was available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

# 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

## 4.1 Financial risk factors (Continued)

### (b) Credit risk (Continued)

#### *(ii) Maximum exposure and year-end staging (Continued)*

| | 12-month ECLs | Lifetime ECLs | | | |
|---|---|---|---|---|---|
| | Stage 1 US$'000 | Stage 2 US$'000 | Stage 3 US$'000 | Simplified approach US$'000 | Total US$'000 |
| **2024** | | | | | |
| Trade receivables and contract assets | – | – | – | 132,070 | 132,070 |
| Bills receivables, loans to associates and financial assets included in other receivables – Normal* | 175,874 | – | – | – | 175,874 |
| Restricted bank deposits | 21,823 | – | – | – | 21,823 |
| Cash and cash equivalents | 1,007,410 | – | – | – | 1,007,410 |
| | 1,205,107 | – | – | 132,070 | 1,337,177 |

| | 12-month ECLs | Lifetime ECLs | | | |
|---|---|---|---|---|---|
| | Stage 1 US$'000 | Stage 2 US$'000 | Stage 3 US$'000 | Simplified approach US$'000 | Total US$'000 |
| 2023 | | | | | |
| Trade receivables and contract assets | – | – | – | 115,926 | 115,926 |
| Bills receivables, loans to associates and financial assets included in other receivables – Normal* | 199,529 | – | – | – | 199,529 |
| Restricted bank deposits | 45,113 | – | – | – | 45,113 |
| Cash and cash equivalents | 1,162,926 | – | – | – | 1,162,926 |
| | 1,407,568 | – | – | 115,926 | 1,523,494 |

* The credit quality of the bills receivables, loans to associates and financial assets included in other receivables was considered to be "normal" when they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets had been considered to be "doubtful".

# 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

## 4.1 Financial risk factors (Continued)

### (c) Liquidity risk

The Group's cash management policy is to regularly monitor its current and expected liquidity positions to ensure adequate funds are available for its short term and long term requirements.

The table below analyses the Group's non-derivative and derivative financial liabilities which will be settled into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | **Less than 1 year US$'000** | **Between 1 and 2 years US$'000** | **Between 2 and 5 years US$'000** | **Over 5 years US$'000** |
|---|---|---|---|---|
| **At 31 December 2024** | | | | |
| Bank and other borrowings | **399,679** | **724,271** | **1,318,840** | **1,353,073** |
| Lease liabilities | **49,774** | **47,891** | **138,678** | **1,094,814** |
| Loans from non-controlling shareholders of subsidiaries | **2,820** | **2,820** | **64,641** | **714** |
| Trade and other payables | **528,907** | **–** | **–** | **–** |
| Put option liability | **280,000** | **–** | **–** | **–** |

| | Less than 1 year US$'000 | Between 1 and 2 years US$'000 | Between 2 and 5 years US$'000 | Over 5 years US$'000 |
|---|---|---|---|---|
| At 31 December 2023 | | | | |
| Bank and other borrowings | 1,095,098 | 349,602 | 1,366,136 | 1,103,829 |
| Lease liabilities | 45,358 | 93,645 | 127,585 | 1,165,723 |
| Loans from non-controlling shareholders of subsidiaries | 64,043 | 586 | 1,757 | 880 |
| Loans from a joint venture | 17,332 | – | – | – |
| Loans from an associate | 4,334 | – | – | – |
| Trade and other payables | 485,017 | – | – | – |
| Put option liability | – | 280,000 | – | – |

# 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

## 4.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the net debt (total bank borrowings less cash and cash equivalents and restricted bank deposits) to total equity ratio. The Group aims to maintain a manageable net debt to total equity ratio. As at 31 December 2024, the net debt-to-total equity ratio is 29.6% (2023: 29.6%).

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new shares or capital or sell assets to reduce debt.

### (a) Loan covenants

Under the terms of the major bank loans, which have carrying amounts of US$2,170,460,000 (2023: US$1,705,066,000) that the Group is required to comply with certain financial covenants at the end of each annual and interim reporting period including but not limited to maintenance of interest coverage ratio and debt ratio requirement.

The Group has complied with these covenants throughout the reporting period.

As at 31 December 2024, there is no indication that the Group would have any non-compliance with these covenants when they will be next tested.

# 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

## 4.3 Fair value estimation

### (a) Fair value hierarchy

The Group's assets that are measured at fair value is disclosed by levels of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that are measured at fair value at 31 December 2024 and 2023:

**As at 31 December 2024**

| | **Level 1 US$'000** | **Level 2 US$'000** | **Level 3 US$'000** | **Total US$'000** |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Financial asset at FVPL | **55,905** | **–** | **–** | **55,905** |
| Financial assets at FVOCI | **127,756** | **–** | **24,411** | **152,167** |
| **Non financial asset** | | | | |
| Investment properties | **–** | **–** | **88,839** | **88,839** |

As at 31 December 2023

| | Level 1 US$'000 | Level 2 US$'000 | Level 3 US$'000 | Total US$'000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Financial asset at FVPL | 53,745 | – | – | 53,745 |
| Financial assets at FVOCI | 116,565 | – | 22,457 | 139,022 |
| Derivative financial instruments – interest rate swap | – | 2,698 | – | 2,698 |
| **Non financial asset** | | | | |
| Investment properties | – | – | 90,580 | 90,580 |

# 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

## 4.3 Fair value estimation (Continued)

### (b) Valuation techniques used to determine fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regular occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

These instruments are included in level 1. Instruments included in level 1 comprise primarily listed convertible bonds or equity investments classified as financial assets at FVPL or FVOCI.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no changes made to the valuation techniques applied as of 31 December 2024, except for the valuation technique of certain investment properties changed from replacement cost method to income capitalization method.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

For the year ended 31 December 2024, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

The movements in assets included in level 3 are as follows:

***Unlisted financial assets at FVOCI***

| | **2024**<br>**US$'000** | 2023<br>US$'000 |
|---|---|---|
| At 1 January | **22,457** | 21,838 |
| Fair value gain recognised in OCI | **2,338** | 946 |
| Exchange differences | **(384)** | (327) |
| At 31 December | **24,411** | 22,457 |

# 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

## 4.3 Fair value estimation (Continued)

### (b) Valuation techniques used to determine fair value (Continued)

The valuation technique and inputs used in the fair value measurements within Level 3 for unlisted financial assets at FVOCI are summarised as follows:

| Description | Fair value at 31 December 2024 US$'000 | Fair value at 31 December 2023 US'000 | Valuation techniques | Unobservable inputs |
|---|---|---|---|---|
| Unlisted equity security: | | | | |
| Port industry | **24,411** | 22,457 | Market multiples | Price/book multiples (i), discount for lack of marketability (ii) |

(i) Represents amounts used when the entity has determined that market participants would use such multiples when pricing the investment.

(ii) Represents amounts used when the entity has determined that market participants would take into account the discount when pricing the investment.

***Investment properties***

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| At 1 January | **90,580** | 9,535 |
| Fair value loss recognised in consolidated income statement | **(4,740)** | – |
| Transfer | **4,308** | – |
| Acquisition of subsidiaries | **–** | 84,965 |
| Exchange differences | **(1,309)** | (3,920) |
| At 31 December | **88,839** | 90,580 |

The valuation technique and inputs used in the valuation of investment properties are summarised in note 8.

The carrying amounts of receivables and payables are assumed to approximate their fair values.

The fair values of financial liabilities for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments.

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (a) Impairment of terminal assets, investments in joint ventures and associates

Management determines whether terminal assets, investments in joint ventures and associates have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, according to their recoverable amounts determined by the cash-generating units based on value-in-use calculations. The determination of impairment indication requires significant judgement, and the calculations require the use of estimates which are subject to change of economic environment in future.

### (b) Assessment of goodwill impairment

The Group tests annually whether goodwill have suffered any impairment and when there is indication that they may be impaired, in accordance with the accounting policy stated in note 3.8. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations which require the use of assumptions. These calculations require the use of estimates. The key assumptions and sensitivity test was disclosed in note 10.

### (c) Taxation

Deferred tax liabilities have not been recognised for the withholding taxation that would be payable on the undistributed profits of certain subsidiaries which were under certain jurisdictions as the directors consider that the timing of the reversal of related temporary differences can be controlled (Note 15).

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises or writes back liabilities for anticipated tax issues based on estimates of whether additional taxes will be due or reversal to be made. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the taxation and deferred taxation provisions in the period in which such determination is made.

### (d) Fair value of financial assets at FVOCI

If information on current or recent prices of financial assets at FVOCI is not available, the fair values of financial assets at FVOCI are determined using valuation techniques (market multiples derived from a set of comparable companies). The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

## 6 REVENUES AND SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management. Terminals and related businesses were identified as the operating segment in accordance with the Group's business.

The performance of the operating segments was assessed based on their segment profit/loss attributable to equity holders of the Company and segment assets, which is measured in a manner consistent with that in the consolidated financial statements.

The segment of "Others" primarily includes corporate level activities. Assets under the segment of "Others" comprise property, plant and equipment, right-of-use assets, investment properties, intangible assets, inter-segment loans, other receivables and prepayments and cash and cash equivalents.

Revenues of single major customers which individually contribute 10% or more of total revenue of the Group amount to US$422,819,000, US$205,500,000 and US$149,147,000 (2023: US$440,400,000, US$179,975,000 and US$150,802,000), respectively.

Additions to non-current assets comprise additions to property, plant and equipment, right-of-use assets, investment properties and intangible assets.

### (a) Operating segments

#### Segment assets

| | Terminals and related businesses US$'000 | Others US$'000 | Elimination US$'000 | Total US$'000 |
|---|---|---|---|---|
| **At 31 December 2024** | | | | |
| Segment assets | **11,428,916** | **850,425** | **(257,955)** | **12,021,386** |
| Segment assets include: | | | | |
| Joint ventures | **1,083,123** | **–** | **–** | **1,083,123** |
| Associates | **3,392,014** | **–** | **–** | **3,392,014** |
| Financial asset at FVPL | **55,905** | **–** | **–** | **55,905** |
| Financial assets at FVOCI | **152,167** | **–** | **–** | **152,167** |
| At 31 December 2023 | | | | |
| Segment assets | 11,208,772 | 939,316 | (216,207) | 11,931,881 |
| Segment assets include: | | | | |
| Joint ventures | 1,060,374 | – | – | 1,060,374 |
| Associates | 3,343,432 | – | – | 3,343,432 |
| Financial asset at FVPL | 53,745 | – | – | 53,745 |
| Financial assets at FVOCI | 139,022 | – | – | 139,022 |

# 6 REVENUES AND SEGMENT INFORMATION (CONTINUED)

## (a) Operating segments (Continued)

### Segment revenues, results and other information

| | Terminals and related businesses US$'000 | Others US$'000 | Elimination US$'000 | Total US$'000 |
|---|---|---|---|---|
| **Year ended 31 December 2024** | | | | |
| Revenues | **1,502,989** | **–** | **–** | **1,502,989** |
| Segment profit/(loss) attributable to equity holders of the Company | **438,565** | **(129,749)** | **–** | **308,816** |
| Segment profit/(loss) includes: | | | | |
| Finance income | **8,079** | **29,900** | **(8,776)** | **29,203** |
| Finance costs | **(96,327)** | **(64,900)** | **8,776** | **(152,451)** |
| Share of profits less losses of | | | | |
| – joint ventures | **57,173** | **–** | **–** | **57,173** |
| – associates | **262,942** | **–** | **–** | **262,942** |
| Taxation | **(57,975)** | **(15,082)** | **–** | **(73,057)** |
| Depreciation and amortisation | **(250,641)** | **(4,821)** | **–** | **(255,462)** |
| Additions to non-current assets | **(533,810)** | **(2,936)** | **–** | **(536,746)** |

100% (2023: 100%) of the costs of sales, and 55% (2023: 55%) of the administrative expense are from terminals and related businesses.

# 6 REVENUES AND SEGMENT INFORMATION (CONTINUED)

## (a) Operating segments (Continued)

### Segment revenues, results and other information (Continued)

| | Terminals and related businesses US$'000 | Others US$'000 | Elimination US$'000 | Total US$'000 |
|---|---|---|---|---|
| Year ended 31 December 2023 | | | | |
| Revenues | 1,454,353 | – | – | 1,454,353 |
| Segment profit/(loss) attributable to equity holders of the Company | 431,601 | (107,044) | – | 324,557 |
| Segment profit/(loss) includes: | | | | |
| Finance income | 8,345 | 27,444 | (7,791) | 27,998 |
| Finance costs | (97,431) | (81,549) | 7,791 | (171,189) |
| Share of profits less losses of | | | | |
| – joint ventures | 61,805 | – | – | 61,805 |
| – associates | 236,056 | – | – | 236,056 |
| Taxation | (52,237) | 17,031 | – | (35,206) |
| Depreciation and amortisation | (246,527) | (4,946) | – | (251,473) |
| Additions to non-current assets | (424,185) | (7,292) | – | (431,477) |
| Additions to non-current assets arising from a business combination | (175,982) | – | – | (175,982) |

# 6 REVENUES AND SEGMENT INFORMATION (CONTINUED)

## (b) Geographical information

### (i) Revenues

In respect of terminals and related businesses, revenues are based on the geographical areas in which the business operations are located.

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| Terminals and related businesses | | |
| – Mainland China (excluding Hong Kong) | **718,921** | 706,534 |
| – Europe | **690,755** | 670,517 |
| – Others | **93,313** | 77,302 |
| | **1,502,989** | 1,454,353 |

### (ii) Non-current assets

The Group's non-current assets, other than financial instruments and deferred tax assets ("Geographical Non-Current Assets"), consist of property, plant and equipment, right-of-use assets, investment properties, intangible assets, joint ventures, associates and other non-current assets.

In respect of the Geographical Non-Current Assets, they are presented based on the geographical areas in which the business operations/assets are located.

| | **Subsidiaries and corporate US$'000** | **Joint ventures and associates US$'000** | **Total US$'000** |
|---|---|---|---|
| **2024** | | | |
| Mainland China (excluding Hong Kong) | **2,765,108** | **3,357,294** | **6,122,402** |
| Europe | **1,282,830** | **76,052** | **1,358,882** |
| Others | **1,809,044** | **1,041,791** | **2,850,835** |
| | **5,856,982** | **4,475,137** | **10,332,119** |
| 2023 | | | |
| Mainland China (excluding Hong Kong) | 2,881,453 | 3,264,424 | 6,145,877 |
| Europe | 1,406,947 | 118,428 | 1,525,375 |
| Others | 1,374,313 | 1,020,954 | 2,395,267 |
| | 5,662,713 | 4,403,806 | 10,066,519 |

## 7 PROPERTY, PLANT AND EQUIPMENT

| | Land and buildings outside Hong Kong US$'000 | Leasehold improvements US$'000 | Other property, plant and equipment US$'000 | Construction in progress US$'000 | Total US$'000 |
|---|---|---|---|---|---|
| Cost | | | | | |
| At 1 January 2024 | 2,768,395 | 7,197 | 1,823,922 | 833,698 | 5,433,212 |
| Exchange differences | (51,180) | (100) | (50,742) | (2,851) | (104,873) |
| Additions | 2,161 | – | 14,600 | 489,018 | 505,779 |
| Disposals | (133) | – | (30,915) | (512) | (31,560) |
| Transfers | 64,105 | 120 | 59,125 | (129,837) | (6,487) |
| At 31 December 2024 | 2,783,348 | 7,217 | 1,815,990 | 1,189,516 | 5,796,071 |
| Accumulated depreciation and impairment | | | | | |
| At 1 January 2024 | 570,416 | 4,728 | 713,258 | 891 | 1,289,293 |
| Exchange differences | (15,134) | (59) | (20,763) | – | (35,956) |
| Depreciation charge for the year | 80,260 | 380 | 104,470 | – | 185,110 |
| Disposals | (53) | – | (27,392) | – | (27,445) |
| Transfers | (1,876) | – | 1,876 | – | – |
| At 31 December 2024 | 633,613 | 5,049 | 771,449 | 891 | 1,411,002 |
| Net book value | | | | | |
| At 31 December 2024 | 2,149,735 | 2,168 | 1,044,541 | 1,188,625 | 4,385,069 |

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | Land and buildings outside Hong Kong US$'000 | Leasehold improvements US$'000 | Other property, plant and equipment US$'000 | Construction in progress US$'000 | Total US$'000 |
|---|---|---|---|---|---|
| Cost | | | | | |
| At 1 January 2023 | 2,612,324 | 7,101 | 1,688,177 | 651,371 | 4,958,973 |
| Exchange differences | (25,790) | (68) | 4,185 | (3,506) | (25,179) |
| Additions | 1,297 | 13 | 10,602 | 403,501 | 415,413 |
| Acquisition of subsidiaries | 89,240 | – | 1,313 | – | 90,553 |
| Disposals | (370) | – | (7,292) | (292) | (7,954) |
| Transfers | 91,694 | 151 | 126,937 | (217,376) | 1,406 |
| At 31 December 2023 | 2,768,395 | 7,197 | 1,823,922 | 833,698 | 5,433,212 |
| Accumulated depreciation and impairment | | | | | |
| At 1 January 2023 | 497,969 | 4,404 | 618,335 | 891 | 1,121,599 |
| Exchange differences | (6,007) | (54) | (702) | – | (6,763) |
| Depreciation charge for the year | 78,720 | 378 | 101,353 | – | 180,451 |
| Disposals | (259) | – | (6,108) | – | (6,367) |
| Transfers | (7) | – | 380 | – | 373 |
| At 31 December 2023 | 570,416 | 4,728 | 713,258 | 891 | 1,289,293 |
| Net book value | | | | | |
| At 31 December 2023 | 2,197,979 | 2,469 | 1,110,664 | 832,807 | 4,143,919 |

Notes:

(a) As at 31 December 2024, certain other property, plant and equipment with an aggregate net book value of US$1,216,090,000 (2023: US$803,286,000) were pledged as security for banking facilities granted to the Group (note 21(d)).

(b) As at 31 December 2024, a freehold land amounting to US$105,883,000 (2023: US$102,796,000) was included in land and buildings outside Hong Kong.

(c) As at 31 December 2024, management has performed impairment assessment for the terminal assets with impairment indication. The recoverable amounts of the terminal assets are determined based on value-in-use calculations which are based on discounted cash flows on a cash generating unit. The key assumptions adopted in the value-in-use calculations included revenue growth rate, terminal growth rate, EBITDA margin and discount rate.

Assuming discount rate increased or revenue growth rate, terminal growth rate, EBITDA margin decreased by 50 basis points, impairment charge of US$5,039,000, US$2,466,000, US$3,655,000 or nil respectively would be required for the terminal assets at 31 December 2024 (2023: US$6,790,000, US$4,303,000, US$5,347,000 or US$762,000 respectively).

## 8 INVESTMENT PROPERTIES

| | **2024**<br>**US$'000** | 2023<br>US$'000 |
|---|---|---|
| At 1 January | **90,580** | 9,535 |
| Exchange differences | **(1,309)** | (3,920) |
| Acquisition of subsidiaries | **–** | 84,965 |
| Fair value loss | **(4,740)** | – |
| Transfer | **4,308** | – |
| At 31 December | **88,839** | 90,580 |

Notes:

(a) The investment property amounted to US$88,087,000 as at 31 December 2024 (2023: US$5,010,000) was revalued on 31 December 2024 based on valuation performed by Jones Lang LaSalle, Inc (2023: Kroll (HK) Limited), independent professional property valuer who holds recognised relevant professional qualifications and has recent experiences in the locations and segments of the investment properties valued.

Investment properties arising from the acquisition of subsidiaries on 28 February 2023 were valued by Shanghai Orient Appraisal Co., Ltd., an independent professional property valuer who holds recognised relevant professional qualifications and has recent experiences in the locations and segments of the investment properties valued. Management assessed and considered that there was no fair value change since the acquisition date to the year end date as at 31 December 2023.

For all investment properties, their current use equates to the highest and best use.

(b) The Group's interests in investment properties are office units situated in Guangzhou, office units and warehouse situated in Xiamen, the PRC on leases of 50 years, and a residential property in Hong Kong on leases of over 50 years. For minimum lease payments receivable on leases of investment properties, refer to note 35.

(c) The valuations for Guangzhou office units, Xiamen office units and warehouse are derived using income capitalisation method. The valuation for the Hong Kong residential property is derived using direct comparison method.

Income capitalisation method is based on the capitalisation of the net rental income derived from the existing leases and/or achievable in existing market with reversionary income potential by adopting appropriate capitalisation rates. Capitalisation rates are estimated by valuer based on the risk profile of the properties being valued. The higher the rates, the lower the fair value. Prevailing market rents are estimated based on recent lettings within the subject properties and other comparable properties. The lower the rents, the lower the fair value. As at 31 December 2024, capitalisation rates of 5.50% (2023: 7.5%) and 5.75% (2023: nil) are used in income capitalisation method for Guangzhou, PRC office units and Xiamen, PRC office units and warehouse, respectively.

Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration. As at 31 December 2024, unit price of HK$25,670 (2023: of HK$27,508) per square feet is used in the direct comparison method.

# 9 LEASES

## (a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

| | 2024<br>US$'000 | 2023<br>US$'000 |
|---|---|---|
| **Right-of-use assets** | | |
| Concession | **620,816** | 654,075 |
| Buildings | **17,524** | 16,334 |
| Plant and machinery | **332** | 371 |
| Land use rights (note a) | **319,681** | 333,025 |
| | **958,353** | 1,003,805 |
| **Lease liabilities** | | |
| Current | **46,633** | 48,197 |
| Non-current | **744,318** | 762,332 |
| | **790,951** | 810,529 |

Notes:

(a) The Group has land lease arrangements with the PRC government.

(b) Additions to the right-of-use assets during the year were US$23,892,000 (2023: US$10,586,000).

(c) Increase of the right-of-use assets due to extension of lease and remeasurement were US$5,435,000 (2023: US$13,002,000).

(d) For the year ended 31 December 2023, acquisition of subsidiaries increased right-of-use assets by US$389,000.

# 9 LEASES (CONTINUED)

## (b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

| | Note | 2024 US$'000 | 2023 US$'000 |
|---|---|---|---|
| **Depreciation charge of right-of-use assets** | | | |
| Concession | | **26,871** | 26,174 |
| Buildings | | **9,552** | 10,390 |
| Plant and machinery | | **194** | 182 |
| Land use rights | | **10,472** | 10,526 |
| | 28 | **47,089** | 47,272 |
| Interest expense (included in finance costs) | | **29,176** | 28,213 |
| Expense relating to short-term leases (included in cost of sales and administrative expenses) | | **6,105** | 5,321 |
| Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses) | | **104** | 115 |
| Expense relating to variable lease payments not included in lease liabilities (included in cost of sales) | | **92,977** | 96,583 |

The total cash outflow for leases in 2024 was US$150,231,000 (2023: US$151,895,000).

## (c) The Group's leasing activities and how these are accounted for

The Group leases various concession, buildings, plant and machinery and land use rights. Rental contracts are typically made for fixed periods of 3 to 50 years, but may have extension options as described in (e) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

## (d) Variable lease payments

Some of the concession agreements consist of variable payments based on the performance of the entity. Variable lease payments that based on revenue or throughput are recognised in profit or loss in the year in which the condition that triggers those payments occurs.

A 1% increase in revenue or throughput relating to concession in the Group with such variable lease arrangements would increase total lease payments by approximately US$870,000 and US$76,000 (2023: US$917,000 and US$72,000) respectively.

## (e) Extension and termination options

Extension and termination options are included in a number of concession rights across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

## 10 INTANGIBLE ASSETS

| | Computer software | | Computer systems under development | | Concession | | Customer relationships | | Goodwill | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 |
| | **US$'000** | US$'000 | **US$'000** | US$'000 | **US$'000** | US$'000 | **US$'000** | US$'000 | **US$'000** | US$'000 | **US$'000** | US$'000 |
| Cost | | | | | | | | | | | | |
| At 1 January | **45,940** | 40,175 | **2,248** | 2,815 | **257,423** | 248,789 | **46,604** | 44,763 | **186,543** | 165,302 | **538,758** | 501,844 |
| Exchange differences | **(1,301)** | 384 | **(118)** | 104 | **(11,875)** | 8,468 | **(2,635)** | 1,841 | **(7,265)** | 3,950 | **(23,194)** | 14,747 |
| Additions | **3,604** | 1,179 | **3,471** | 4,293 | **-** | 6 | **-** | – | **-** | – | **7,075** | 5,478 |
| Acquisition of subsidiaries | **-** | 75 | **-** | – | **-** | – | **-** | – | **-** | 17,291 | **-** | 17,366 |
| Disposals | **(222)** | (69) | **-** | – | **-** | – | **-** | – | **-** | – | **(222)** | (69) |
| Transfers | **3,168** | 4,196 | **(3,047)** | (4,964) | **23** | 160 | **-** | – | **-** | – | **144** | (608) |
| At 31 December | **51,189** | 45,940 | **2,554** | 2,248 | **245,571** | 257,423 | **43,969** | 46,604 | **179,278** | 186,543 | **522,561** | 538,758 |
| Accumulated amortization and impairment | | | | | | | | | | | | |
| At 1 January | **29,691** | 23,896 | **4** | 4 | **92,434** | 75,584 | **21,896** | 17,621 | **-** | – | **144,025** | 117,105 |
| Exchange differences | **(573)** | 685 | **(27)** | – | **(4,416)** | 1,741 | **(3)** | 803 | **-** | – | **(5,019)** | 3,229 |
| Amortisation for the year | **4,695** | 5,179 | **-** | – | **15,097** | 15,099 | **3,471** | 3,472 | **-** | – | **23,263** | 23,750 |
| Disposals | **(222)** | (69) | **-** | – | **-** | – | **-** | – | **-** | – | **(222)** | (69) |
| Transfers | **-** | – | **-** | – | **-** | 10 | **-** | – | **-** | – | **-** | 10 |
| Provision for impairment | **-** | – | **1,461** | – | **-** | – | **-** | – | **-** | – | **1,461** | – |
| At 31 December | **33,591** | 29,691 | **1,438** | 4 | **103,115** | 92,434 | **25,364** | 21,896 | **-** | – | **163,508** | 144,025 |
| Net book value | | | | | | | | | | | | |
| At 31 December | **17,598** | 16,249 | **1,116** | 2,244 | **142,456** | 164,989 | **18,605** | 24,708 | **179,278** | 186,543 | **359,053** | 394,733 |

## 10 INTANGIBLE ASSETS (CONTINUED)

### Impairment test for goodwill

Goodwill is allocated to the Group's CGUs that are expected to benefit from business combination which primarily arises from acquisition of terminal operations and terminal related operations. Impairment testing is performed annually on goodwill allocated to the CGUs included in the terminals and related business segment.

For the year ended 31 December 2024 and 2023, the recoverable amount of the CGUs is determined based on value-in-use calculations or fair value less costs of disposal calculations. These calculations use cash flow projections based on the financial budget and future forecast.

Forecast profitability is based on past performance and expected future changes in costs and revenue. The Group's significant CGUs cash flow projections are based on financial forecasts covering a five to ten year period using an estimated average revenue growth rate of 9.9% (2023: 8.2%) and average operating margin of 27.0% (2023: 31.7%) with cash flows beyond this period at 2.2% (2023: 2.1%) average terminal growth rate. In general, a projection period of five years is used for developed terminals. Projection for a period of greater than five years for developing terminals may be used on the basis that these terminals require a longer period to achieve their optimal operation level and it is a more appropriate reflection of the future cash flows generated from these terminals. Future cash flows are discounted at a rate equivalent to an average pre-tax rate of 11.6% (2023: 12.1%).

Assuming discount rate increased or revenue growth rate, terminal growth rate, operating margin decreased by 50 basis points, impairment charge of US$30,465,000, US$19,765,000, US$4,286,000 or nil respectively would be required for the goodwill in terminals and related business segment at 31 December 2024 (2023: US$27,269,000, US$39,800,000, US$11,967,000 or nil respectively).

## 11 JOINT VENTURES

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| Investment in joint ventures (including goodwill on acquisitions) (note a) | **940,364** | 917,615 |
| Equity loan to a joint venture (note b) | **142,759** | 142,759 |
| | **1,083,123** | 1,060,374 |

Notes:

(a) The carrying amount of goodwill on acquisitions of joint ventures amounted to US$66,457,000 (2023: US$66,219,000).

(b) The balance is equity in nature, unsecured, interest free and has no fixed terms of repayment.

(c) There is no joint venture that is individually material to the Group as at 31 December 2024 and 2023. The financial information below represents the Group's interests in respective joint ventures:

| | Net assets US$'000 | Share of the joint ventures' profits less losses for the year US$'000 | Share of the joint ventures' other comprehensive loss US$'000 | Total share of the joint ventures' comprehensive income US$'000 |
|---|---|---|---|---|
| **2024** | **1,083,123** | **57,173** | **(485)** | **56,688** |
| 2023 | 1,060,374 | 61,805 | (139) | 61,666 |

(d) There are no contingent liabilities relating to the Group's interest in joint ventures.

(e) Details of the principal joint ventures as at 31 December 2024 are set out in note 42 to the consolidated financial statements.

(f) As at 31 December 2024, management has performed impairment assessment for the investment in joint ventures with impairment indication. The recoverable amounts of the investment in joint ventures are determined based on value-in-use calculations which are based on discounted cash flows on a cash generating unit. The key assumptions adopted in the value-in-use calculations included revenue growth rate, terminal growth rate, EBITDA margin and discount rate.

Assuming discount rate increased or revenue growth rate, terminal growth rate, EBITDA margin decreased by 50 basis points, impairment charge of US$20,846,000, US$18,370,000, US$17,242,000 or US$3,778,000 respectively would be required for the investment in joint ventures at 31 December 2024 (2023: US$20,057,000, US$16,762,000, US$16,513,000 or US$3,249,000 respectively).

## 12 ASSOCIATES

| | 2024<br>US$'000 | 2023<br>US$'000 |
|---|---|---|
| Investment in associates (including goodwill on acquisitions) (note b) | **3,302,014** | 3,253,432 |
| Equity loan to an associate (note d) | **90,000** | 90,000 |
| | **3,392,014** | 3,343,432 |
| Loans to associates – non-current (note c) | **116,989** | 32,181 |

Notes:

(a) Qingdao Port International Co., Ltd. ("QPI"), Success Enterprises Limited ("Success") and Wattrus Limited ("Wattrus") and their subsidiaries (collectively "Success and Wattrus Related Companies") are associates that are material to the Group. Both QPI and Success and Wattrus Related Companies are engaged in the operation, management and development of terminal related business. There are no quoted market prices for Success and Wattrus Related Companies. As at 31 December 2024, the quoted market price of the Group's interest in QPI amounted to US$1,519,915,000 (2023: US$1,063,656,000).

Set out below are the summarised consolidated financial information for QPI as at and for the year ended 31 December 2024 and 2023 which is accounted for using the equity method:

**Summarised consolidated balance sheet**

| | QPI | |
|---|---|---|
| | 2024<br>US$'000 | 2023<br>US$'000 |
| Non-current assets | **6,415,375** | 6,429,449 |
| Current assets | **2,313,932** | 2,076,608 |
| Non-current liabilities | **(1,050,992)** | (1,009,948) |
| Current liabilities | **(1,168,927)** | (1,207,736) |

**Summarised consolidated statement of comprehensive income**

| | QPI | |
|---|---|---|
| | 2024<br>US$'000 | 2023<br>US$'000 |
| Revenues | **2,662,496** | 2,578,187 |
| Profit attributable to equity holders for the year | **741,034** | 699,009 |
| The Group's share of profits of the associate | **143,720** | 135,192 |

## 12 ASSOCIATES (CONTINUED)

(a) **Reconciliation of summarised financial information**

Reconciliation of summarised financial information presented to the carrying amount of the Group's interest in the associate.

**Summarised consolidated financial information**

| | QPI | |
|---|---|---|
| | **2024** | 2023 |
| | **US$'000** | US$'000 |
| **Attributable to equity holders** | | |
| Opening net assets | **5,718,009** | 5,374,194 |
| Profit for the year | **741,034** | 699,009 |
| Other comprehensive loss for the year | **(7,692)** | (19,449) |
| Other reserve for the year | **(23,212)** | 2,344 |
| Dividends | **(370,542)** | (247,993) |
| Exchange difference | **(87,432)** | (90,096) |
| Closing net assets | **5,970,165** | 5,718,009 |
| Interest in the associate at 20.06% (2023: 19.79%) | **1,197,615** | 1,131,594 |
| Fair value adjustment | **72,474** | 76,707 |
| Goodwill | **199,475** | 205,556 |
| **Carrying amount** | **1,469,564** | 1,413,857 |

Set out below are the summarised consolidated financial information for Success and Wattrus Related Companies as at and for the year ended 31 December 2024 and 2023 which is accounted for using the equity method:

**Summarised consolidated balance sheet**

| | Success and Wattrus Related Companies | |
|---|---|---|
| | **2024** | 2023 |
| | **US$'000** | US$'000 |
| Non-current assets | **3,204,931** | 3,331,894 |
| Current assets | **1,066,293** | 1,007,941 |
| Non-current liabilities | **(74,434)** | (80,045) |
| Current liabilities | **(690,257)** | (627,448) |

## 12 ASSOCIATES (CONTINUED)

(a) **Reconciliation of summarised financial information (Continued)**

**Summarised consolidated statement of comprehensive income**

| | Success and Wattrus Related Companies 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| Revenues | **1,150,839** | 1,024,075 |
| Profit attributable to equity holders for the year | **296,088** | 245,708 |
| Group's share of profits of associates | **60,846** | 50,493 |
| Group's share of the comprehensive loss | **(912)** | (3,159) |

Reconciliation of summarised financial information presented to the carrying amount of the Group's interest in these associates.

**Summarised consolidated financial information**

| | Success and Wattrus Related Companies 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| Capital and reserves attributable to equity holders | **2,689,562** | 2,778,978 |
| Group's effective interest | **20.55%** | 20.55% |
| Group's share of capital and reserves attributable to equity holders | **552,705** | 571,080 |
| Adjustment to cost of investment | **46,860** | 46,860 |
| **Carrying amount** | **599,565** | 617,940 |

(b) The carrying amount of goodwill on acquisitions of associates amounted to US$319,034,000 (2023: US$323,877,000).

(c) A balance of US$87,942,000 is unsecured, which bears interest at the aggregate of 2.0% per annum and EURIBOR, and is repayable in 2029. A balance of US$8,117,000 (2023: US$9,997,000) is unsecured, bears interest at 2.5% per annum above 10-year EURIBOR ICE swap rate (2023: 2.5% per annum above 10-year EURIBOR ICE swap rate) and has no fixed terms of repayment. A balance of US$20,930,000 (2023: US$22,184,000) is unsecured, bears interest at 4.45% per annum and is repayable in 2028.

As at 31 December 2023, the balance of US$93,209,000 was unsecured, which bore interest at the aggregate of 2% per annum and EURIBOR, and was repayable in 2024 and reclassified to trade and other receivables, prepayment and contract assets (note 17(c)).

## 12 ASSOCIATES (CONTINUED)

(d) The balance is equity in nature, unsecured, interest free and has no fixed terms of repayment.

(e) The financial information below, represents the Group's interests in respective associates other than QPI and Success and Wattrus Related Companies disclosed above:

| | Net assets US$'000 | Share of the associates' profits less losses for the year US$'000 | Share of the associates' other comprehensive loss US$'000 | Share of the associates' total comprehensive income US$'000 |
|---|---|---|---|---|
| **2024** | **1,322,885** | **58,376** | **(4,882)** | **53,494** |
| 2023 | 1,311,635 | 50,371 | (1,547) | 48,824 |

(f) Details of the Group's associates as at 31 December 2024 are set out in note 43 to the consolidated financial statements.

## 13 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| **Non-current asset** | | |
| Listed convertible bonds | **55,905** | 53,745 |

## 14 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| **Non-current assets** | | |
| Listed shares (note i) | | |
| Qinhuangdao Port Co., Ltd. | **11,470** | 7,595 |
| Guangzhou Port Company Limited | **116,286** | 108,970 |
| | **127,756** | 116,565 |
| Unlisted investments (note ii) | **24,411** | 22,457 |
| | **152,167** | 139,022 |

Notes:

(i) Listed shares represent equity interests in entities which are principally engaged in provision of port and port related services.

(ii) Unlisted investments mainly comprise equity interests in terminal operating companies, and port information system engineering companies.

(iii) Financial assets at FVOCI are denominated in the following currencies:

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| Hong Kong dollar | **11,470** | 7,595 |
| Renminbi | **139,985** | 130,672 |
| Euro | **712** | 755 |
| | **152,167** | 139,022 |

(iv) Movements of the financial assets at FVOCI during the year are as follows:

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| At 1 January | **139,022** | 139,557 |
| Fair value gain recognised in OCI | **15,154** | 1,661 |
| Exchange differences | **(2,009)** | (2,196) |
| At 31 December | **152,167** | 139,022 |

## 15 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using tax rates substantively enacted by the balance sheet date.

The movements on the net deferred tax liabilities during the year are as follows:

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| At 1 January | **40,371** | 30,936 |
| Exchange differences | **3,391** | (5,587) |
| Charged/(credited) to consolidated income statement | **1,452** | (8,765) |
| Charged to reserves | **2,838** | 62 |
| Acquisition of subsidiaries (note 38(a)) | **–** | 23,725 |
| At 31 December | **48,052** | 40,371 |

Deferred tax assets are recognised for tax losses carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable.

As at 31 December 2024, the Group has unrecognised tax losses of US$182,280,000 (2023: US$165,796,000) to carry forward. Except for the tax losses of US$97,516,000 (2023: US$77,987,000) of the Group which will be expired between 2025 and 2029 (2023: between 2024 and 2028), all other tax losses have no expiry dates.

As at 31 December 2024, undistributed earnings from subsidiaries of US$1,229,913,000 (2023: US$1,096,330,000) which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Group is able to control the timing of distributions from the subsidiaries and is not expected to distribute these profits in the foreseeable future.

## 15 DEFERRED TAXATION (CONTINUED)

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year, were as follows:

### Deferred tax liabilities

| | Accelerated tax depreciation | | Undistributed profits | | Fair value gains | | Right-of-use assets | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2024 US$'000** | 2023 US$'000 | **2024 US$'000** | 2023 US$'000 | **2024 US$'000** | 2023 US$'000 | **2024 US$'000** | 2023 US$'000 | **2024 US$'000** | 2023 US$'000 |
| At 1 January | **118,367** | 98,124 | **24,793** | 27,727 | **27,544** | 28,219 | **84,115** | 84,941 | **254,819** | 239,011 |
| Exchange differences | **(1,981)** | (2,329) | **(98)** | 25 | **(771)** | 773 | **(4,652)** | 3,526 | **(7,502)** | 1,995 |
| Charged/(credited) to consolidated income statement | **13,378** | (1,158) | **2,788** | (2,959) | **(1,089)** | (1,510) | **(2,148)** | (4,352) | **12,929** | (9,979) |
| Acquisition of subsidiaries | **–** | 23,730 | **–** | – | **–** | – | **–** | – | **–** | 23,730 |
| Charged to reserve | **–** | – | **–** | – | **2,838** | 62 | **–** | – | **2,838** | 62 |
| At 31 December | **129,764** | 118,367 | **27,483** | 24,793 | **28,522** | 27,544 | **77,315** | 84,115 | **263,084** | 254,819 |

### Deferred tax assets

| | Tax losses | | Future deductible finance costs | | Others | | Lease liabilities | | Fair value loss – Investment properties | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2024 US$'000** | 2023 US$'000 | **2024 US$'000** | 2023 US$'000 | **2024 US$'000** | 2023 US$'000 | **2024 US$'000** | 2023 US$'000 | **2024 US$'000** | 2023 US$'000 | **2024 US$'000** | 2023 US$'000 |
| At 1 January | **53,812** | 60,363 | **22,709** | 22,290 | **35,871** | 24,899 | **102,056** | 100,523 | **–** | – | **214,448** | 208,075 |
| Exchange differences | **(2,122)** | 1,579 | **(1,173)** | 905 | **(1,867)** | 896 | **(5,719)** | 4,202 | **(12)** | – | **(10,893)** | 7,582 |
| Credited/(charged) to consolidated income statement | **12,241** | (8,130) | **(3,160)** | (486) | **1,881** | 10,071 | **(598)** | (2,669) | **1,113** | – | **11,477** | (1,214) |
| Acquisition of subsidiaries | **–** | – | **–** | – | **–** | 5 | **–** | – | **–** | – | **–** | 5 |
| At 31 December | **63,931** | 53,812 | **18,376** | 22,709 | **35,885** | 35,871 | **95,739** | 102,056 | **1,101** | – | **215,032** | 214,448 |

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| Deferred tax assets | **96,135** | 102,115 |
| Deferred tax liabilities | **144,187** | 142,486 |

## 16 INVENTORIES

Inventories of the Group mainly include consumable parts for terminal operations at their carrying amount.

## 17 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND CONTRACT ASSETS

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| Trade receivables (note a) | | |
| – third parties | **73,964** | 65,719 |
| – fellow subsidiaries (note b) | **32,673** | 23,550 |
| – non-controlling shareholders of subsidiaries (note b) | **223** | 1,001 |
| – associates (note b) | **7** | 2 |
| – a joint venture (note b) | **1** | – |
| – related companies (note b) | **25,007** | 24,806 |
| | **131,875** | 115,078 |
| Bills receivables (note a) | **736** | 3,337 |
| | **132,611** | 118,415 |
| Less: provision for impairment (note a) | **(2,084)** | (1,441) |
| | **130,527** | 116,974 |
| Prepayments | **22,002** | 22,121 |
| Other receivables | **36,232** | 43,842 |
| Contract assets | **195** | 848 |
| Loan to an associate (note c) | **–** | 93,209 |
| Amounts due from | | |
| – fellow subsidiaries (note b) | **3,351** | 3,253 |
| – a non-controlling shareholder of a subsidiary (note b) | **485** | 485 |
| – joint ventures (note d) | **209** | 638 |
| – associates (note d) | **17,400** | 22,117 |
| – related companies (note b) | **472** | 467 |
| | **210,873** | 303,954 |

## 17 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND CONTRACT ASSETS (CONTINUED)

Notes:

(a) The Group grants credit periods of 30 to 90 days to its customers. The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Expected credit losses on trade receivables are calculated by using the provision matrix approach. The ageing analysis of the combined trade receivables and bills receivables based on invoice date and issuance date respectively is as follows:

| | **Expected loss rate** | **Gross carrying amount 31 December 2024 US$'000** | **Loss allowance 31 December 2024 US$'000** |
|---|---|---|---|
| Within 30 days | **0.3%** | **106,235** | **342** |
| 31-60 days | **–** | **16,693** | **8** |
| 61-90 days | **0.1%** | **4,800** | **6** |
| Over 90 days | **35.4%** | **4,883** | **1,728** |
| | | **132,611** | **2,084** |

| | Expected loss rate | Gross carrying amount 31 December 2023 US$'000 | Loss allowance 31 December 2023 US$'000 |
|---|---|---|---|
| Within 30 days | 0.1% | 82,941 | 118 |
| 31-60 days | 0.1% | 19,858 | 11 |
| 61-90 days | – | 8,231 | – |
| Over 90 days | 17.8% | 7,385 | 1,312 |
| | | 118,415 | 1,441 |

Movements on the provision for impairment of trade receivables are as follows:

| | **2024 US$'000** | **2023 US$'000** |
|---|---|---|
| At 1 January | **(1,441)** | (628) |
| Exchange differences | **57** | (12) |
| Provision for impairment of trade receivables | **(781)** | (696) |
| Write back of provision for impairment of trade receivables | **81** | 555 |
| Receivables written off during the year as uncollectable | **–** | 610 |
| Acquisition of subsidiaries | **–** | (1,270) |
| At 31 December | **(2,084)** | (1,441) |

## 17 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND CONTRACT ASSETS (CONTINUED)

Notes: (Continued)

(b) The balances are unsecured and interest free. Trading balances have credit periods ranging from 30 to 90 days while other balances have no fixed terms of repayment.

(c) As at 31 December 2023, the balance was unsecured, which bore interest at the aggregate of 2.0% per annum and EURIBOR, and was repayable in 2024. The maturity date of the balance was extended to 2029 during the year (note 12(c)).

(d) The amounts receivable mainly represent interest, dividend and other receivable from joint ventures and associates.

(e) The carrying amounts of trade and other receivables, prepayments and contract assets are denominated in the following currencies:

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| US dollar | **12,770** | 14,433 |
| Renminbi | **84,518** | 76,452 |
| Hong Kong dollar | **774** | 992 |
| Euro | **91,671** | 198,686 |
| Other currencies | **21,140** | 13,391 |
| | **210,873** | 303,954 |

## 18 FINANCIAL INSTRUMENTS BY CATEGORY

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| **Financial assets as per balance sheet** | | |
| **Financial asset at FVPL** | **55,905** | 53,745 |
| **Financial assets at FVOCI** | **152,167** | 139,022 |
| **Financial assets at amortised cost** | | |
| Loans to associates | **116,989** | 125,390 |
| Trade and other receivables | **172,073** | 176,377 |
| Cash and cash equivalents | **1,007,410** | 1,162,926 |
| Restricted bank deposits | **21,823** | 45,113 |
| **Other financial assets** | | |
| Derivative financial instruments | **–** | 2,698 |
| **Total** | **1,526,367** | 1,705,271 |
| **Financial liabilities as per balance sheet** | | |
| **Financial liabilities at amortised cost** | | |
| Borrowings | **3,114,481** | 3,234,631 |
| Loans from non-controlling shareholders of subsidiaries | **60,294** | 64,174 |
| Loans from a joint venture | **–** | 16,955 |
| Loan from an associate | **–** | 4,239 |
| Lease liabilities | **790,951** | 810,529 |
| Trade and other payables | **530,182** | 485,017 |
| Put option liability | **253,190** | 246,013 |
| **Total** | **4,749,098** | 4,861,558 |

## 19 SHARE CAPITAL

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| Issued and fully paid: | | |
| 3,761,381,850 ordinary shares (2023: 3,563,579,085 ordinary shares) of HK$0.10 each | **48,279** | 45,742 |

The movements of the issued share capital of the Company are summarised as follows:

| | Number of ordinary shares | Nominal Value US$'000 |
|---|---|---|
| At 1 January 2024 | **3,563,579,085** | **45,742** |
| Issue of scrip dividend for 2023 second interim dividend (note a) | **108,681,314** | **1,390** |
| Issue of scrip dividend for 2024 first interim dividend (note b) | **89,121,451** | **1,147** |
| At 31 December 2024 | **3,761,381,850** | **48,279** |
| At 1 January 2023 | 3,440,657,627 | 44,172 |
| Issue of scrip dividend for 2022 second interim dividend (note c) | 60,152,621 | 768 |
| Issue of scrip dividend for 2023 first interim dividend (note d) | 62,768,837 | 802 |
| At 31 December 2023 | 3,563,579,085 | 45,742 |

Notes:

(a) During the year ended 31 December 2024, 108,681,314 new shares were issued by the Company at HK$4.434 per share for the settlement of 2023 second interim scrip dividend.

(b) During the year ended 31 December 2024, 89,121,451 new shares were issued by the Company at HK$4.178 per share for the settlement of 2024 first interim scrip dividend.

(c) During the year ended 31 December 2023, 60,152,621 new shares were issued by the Company at HK$4.930 per share for the settlement of 2022 second interim scrip dividend.

(d) During the year ended 31 December 2023, 62,768,837 new shares were issued by the Company at HK$4.722 per share for the settlement of 2023 first interim scrip dividend.

## 20 SHARE-BASED PAYMENT

At a special general meeting of the Company held on 8 June 2018, the shareholders of the Company approved the adoption of a share option scheme (the "2018 Share Option Scheme"). The purposes of the 2018 Share Option Scheme are to enable the Company to establish and cultivate a performance-oriented culture, under which value is created for the shareholders, and to establish an interests-sharing and restraining mechanism between the shareholders and the Company's management. No consideration was paid by the grantees for the acceptance of share options.

Under the 2018 Share Option Scheme, the exercise of the options is subject to a two-year vesting period during which a participant is not allowed to exercise any option granted. After the expiration of the two-year period, the participant may exercise the options in three equal batches in the 3rd, 4th and 5th year after the grant date respectively. Within the exercise period of the share options, and subject to the fulfilment of the vesting conditions and the exercise arrangement of the share options, grant of each share option entitles the grantee to subscribe for one share at relevant exercise price.

Vesting of share options are subject to the satisfaction of both the Company's performance targets and the participant's performance target including (1) target rate of return on net assets (after extraordinary gains and losses) in the financial year immediately preceding the vesting of the share options and compared to the average of the selected peer benchmark enterprises; (2) target 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 and compared to the average of the selected peer benchmark enterprises; (3) the economic value added indicator accomplished for the financial year immediately preceding the vesting of the share options has reached the assessment target set by COSCO SHIPPING; and (4) required appraisal grade of the participant's personal performance appraisal in the preceding financial year.

The exercise price is determined based on the principle of fair market value. The exercise price shall be the highest of the following:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date;

(ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the Grant Date; and

(iii) the nominal value of the Shares.

## 20 SHARE-BASED PAYMENT (CONTINUED)

| | | | For the year ended 31 December 2023 and 2024 Number of share options | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Category | Note | Exercise price HK$ | Outstanding at 1 January 2023 | Granted during the year | Exercised during the year | Transfer (to)/from other categories during the year | Lapsed/ cancelled during the year | Outstanding at 31 December 2023 and 2024 | Exercisable period |
| Directors | (i)(ii) | 7.27 | 1,170,226 | – | – | – | (1,170,226) | – | 19.6.2020-18.6.2023 |
| Continuous contract employees | (i)(ii) | 7.27 | 22,910,070 | – | – | (678,460) | (22,231,610) | – | 19.6.2020-18.6.2023 |
| | (i)(ii) | 8.02 | 398,404 | – | – | – | (398,404) | – | 29.11.2020-28.11.2023 |
| | (i)(iii) | 8.48 | 225,201 | – | – | – | (225,201) | – | 29.3.2021-28.3.2024 |
| | (i)(iii) | 7.27 | 67,673 | – | – | – | (67,673) | – | 23.5.2021-22.5.2024 |
| | (i)(iii) | 7.57 | 425,350 | – | – | – | (425,350) | – | 17.6.2021-16.6.2024 |
| Others | (i)(ii) | 7.27 | 6,438,158 | – | – | 678,460 | (7,116,618) | – | 19.6.2020-18.6.2023 |
| | | | 31,635,082 | – | – | – | (31,635,082) | – | |

## 20 SHARE-BASED PAYMENT (CONTINUED)

Notes:

(i) All vested share options were lapsed/cancelled as at 31 December 2023. No share option is granted during the year.

(ii) The share options were granted on 19 June 2018 and 29 November 2018 under the 2018 Share Option Scheme at an exercise price of HK$7.27 and HK$8.02 respectively. According to the provisions of the 2018 Share Option Scheme, share options under each grant have a validity period of five years commencing from the date of grant and cannot be exercised during the two-year period commencing from the date of grant (the "Restriction Period"). Besides, subject to the fulfilment of the relevant vesting conditions, share options will be vested in three batches evenly over a period of three years after the expiry of the Restriction Period, i.e. 33.3%, 33.3% and 33.4%.

(iii) The share options were granted on 29 March 2019, 23 May 2019 and 17 June 2019 under the 2018 Share Option Scheme at an exercise price of HK$8.48, HK$7.27 and HK$7.57 respectively. According to the provisions of the 2018 Share Option Scheme, share options under each grant have a validity period of five years commencing from the date of grant and cannot be exercised during the two-year period commencing from the date of grant (the "Restriction Period"). Besides, subject to the fulfilment of the relevant vesting conditions, share options will be vested in three batches evenly over a period of three years after the expiry of the Restriction Period, i.e. 33.3%, 33.3% and 33.4%.

(iv) No share options were exercised under the 2018 Share Option Scheme during the year (2023: Nil).

(v) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **Average exercise price per share HK$** | **Number of share options** | Average exercise price per share HK$ | Number of share options |
| At 1 January | – | – | 7.29 | 31,635,082 |
| Lapsed/cancelled | – | – | 7.29 | (31,635,082) |
| At 31 December | – | – | – | – |

## 21 BORROWINGS

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| **Long term borrowings** | | |
| **Secured** | | |
| – bank loans | **1,103,288** | 1,078,453 |
| **Unsecured** | | |
| – bank loans | **1,534,093** | 1,460,518 |
| – loans from other financial institutions | **281,849** | 354,332 |
| | **1,815,942** | 1,814,850 |
| | **2,919,230** | 2,893,303 |
| Amounts due within one year in current liabilities | **(81,468)** | (617,710) |
| | **2,837,762** | 2,275,593 |
| **Short term borrowings** | | |
| **Unsecured** | | |
| – bank loans | **195,251** | 341,328 |

## 21 BORROWINGS (CONTINUED)

Notes:

(a) The maturity of long term borrowings is as follows:

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| **Bank loans** | | |
| Within one year | **72,602** | 491,661 |
| Between one and two years | **595,158** | 209,843 |
| Between two and five years | **973,641** | 1,067,258 |
| Over five years | **995,980** | 770,209 |
| | **2,637,381** | 2,538,971 |
| **Loans from other financial institution** | | |
| Within one year | **8,866** | 126,049 |
| Between one and two years | **10,572** | 23,631 |
| Between two and five years | **109,065** | 43,063 |
| Over five years | **153,346** | 161,589 |
| | **281,849** | 354,332 |
| | **2,919,230** | 2,893,303 |

(b) The exposure of long term borrowings to interest rate changes and the contractual repricing dates are as follows:

| | Within five years US$'000 |
|---|---|
| **At 31 December 2024** | |
| Total borrowings | **2,919,230** |
| At 31 December 2023 | |
| Total borrowings | 2,893,303 |

## 21 BORROWINGS (CONTINUED)

Notes: (Continued)

(c) The carrying amounts of the long term borrowings and short term borrowings are denominated in the following currencies:

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| US dollar | **1,536,836** | 1,776,704 |
| Renminbi | **985,035** | 738,352 |
| Euro | **502,051** | 619,325 |
| Hong Kong dollar | **90,559** | 100,250 |
| | **3,114,481** | 3,234,631 |

The effective interest rates per annum at the balance sheet date were as follows:

| | **2024** | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | **US$** | **RMB** | **Euro** | **HK$** | US$ | RMB | Euro | HK$ |
| Bank loans and loans from other financial institution | **6.7%** | **3.0%** | **4.1%** | **5.1%** | 6.4% | 3.1% | 4.1% | 5.6% |

(d) As at 31 December 2024, bank loans of US$1,103,288,000 (2023: US$1,078,453,000) granted to subsidiaries of the Group were secured by certain other property, plant and equipment of the Group (note 7(a)) and the Company's interests in subsidiaries.

(e) As at 31 December 2023, the Group had a bank loan of US$20,133,000 with restricted deposits of US$21,360,000 pledged as security, which was fully repaid in 2024.

## 22 LOANS FROM NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

As at 31 December 2024, the balance mainly included US$57,581,000 which is unsecured, bears interest at 1% above the 3 months EURIBOR, and repayable on or before June 2029.

## 23 OTHER LONG TERM LIABILITIES

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| Deferred income | **42,183** | 40,571 |
| Others | **596** | 605 |
| | **42,779** | 41,176 |

## 24 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| Trade payables (note a) | | |
| – third parties | **65,674** | 63,217 |
| – fellow subsidiaries (note b) | **1,556** | 1,649 |
| – non-controlling shareholders of subsidiaries (note b) | **5,965** | 3,057 |
| – joint ventures (note b) | **28** | 3,013 |
| – an associate (note b) | **3** | 402 |
| – related companies (note b) | **5,429** | 7,724 |
| | **78,655** | 79,062 |
| Bills payables (note a) | **6,738** | 11,534 |
| | **85,393** | 90,596 |
| Accruals | **71,315** | 65,468 |
| Other payables | **361,240** | 320,104 |
| Contract liabilities (note c) | **5,769** | 7,065 |
| Dividend payable | **4** | 4 |
| Loans from a joint venture (note d) | **–** | 16,955 |
| Loans from an associate (note f) | **–** | 4,239 |
| Loans from a non-controlling shareholder of a subsidiary (note e) | **2,030** | 63,618 |
| Amounts due to (note b) | | |
| – fellow subsidiaries | **1,382** | 1,817 |
| – non-controlling shareholders of subsidiaries | **8,302** | 3,665 |
| – a joint venture | **38** | 38 |
| – related companies | **3,120** | 3,858 |
| | **538,593** | 577,427 |

## 24 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (CONTINUED)

Notes:

(a) The ageing analysis of the trade payables and bills payables based on invoice date and issuance date respectively is as follows:

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| Within 30 days | **53,756** | 48,261 |
| 31-60 days | **15,888** | 14,110 |
| 61-90 days | **4,141** | 3,828 |
| Over 90 days | **11,608** | 24,397 |
| | **85,393** | 90,596 |

(b) The balances are unsecured and interest free. Trading balances have similar credit periods granted as those of other third party suppliers while the other balances have no fixed terms of repayment.

(c) Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| Contract liabilities | | |
| – expected volume discounts | **320** | 1,451 |
| – receipts in advance from customers | **5,449** | 5,614 |
| | **5,769** | 7,065 |

Revenues recognised in relation to contract liabilities

The following table shows the revenues recognised in the current year which are related to carried-forwards contract liabilities:

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| Revenues recognised that were included in the contract liabilities balance at the beginning of the year | **4,566** | 9,808 |

(d) Loans from a joint venture were unsecured, borne interest at 2.30% per annum and were fully repaid in 2024.

## 24 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (CONTINUED)

Notes: (Continued)

(e) Balance of US$2,030,000 (31 December 2023: US$2,588,000) represents interest payable on loans from a non-controlling shareholder of a subsidiary.

As at 31 December 2023, balance of US$61,030,000 represented loans from a non-controlling shareholder of a subsidiary, which was unsecured, interest bearing and repayable within twelve months. During the year, the loan term was extended and is repayable on or before June 2029.

(f) Loans from an associate were unsecured, borne interest at 2.30% per annum and were fully repaid in 2024.

(g) The carrying amounts of trade and other payables and contract liabilities are denominated in the following currencies:

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| US dollar | **210,843** | 117,383 |
| Renminbi | **171,692** | 249,886 |
| Euro | **125,709** | 174,385 |
| Hong Kong dollar | **9,335** | 16,160 |
| Other currencies | **21,014** | 19,613 |
| | **538,593** | 577,427 |

## 25 PUT OPTION LIABILITY

A put option liability was recognised in relation to the put option granted to the non-controlling shareholder of COSCO SHIPPING Ports Chancay PERU S.A. ("CSP Chancay Terminal") to sell 40% interests in CSP Chancay Terminal to the Group. Such put option is exercisable any time during a 5-year period from the commercial operation date. The Group shall be obligated to purchase the put option shares and settle the put option price upon the final determination of the put option price by independent valuation firm. The put option price is at the lower of fair market value and price caps set for each of the 5 consecutive years after the commencement of the terminal operation.

The exercise price of the put option is determined using market approach with key inputs applied including the projected financial position and EBITDA of CSP Chancay Terminal using management's business plans and market multiples. As at 31 December 2024, the carrying amount of the put option liability is US$253,190,000 (2023: US$246,013,000).

## 26 PENSION AND RETIREMENT LIABILITIES

The Group operates a number of defined benefit and defined contribution retirement schemes in the main countries in which the Group operates. The retirement benefit costs charged to the consolidated income statement for the defined contribution retirement schemes represent contributions payable by the Group to the schemes and amounted to US$32,692,000 (2023: US$32,390,000). The costs charged to the consolidated income statement for the defined benefit retirement schemes amounted to US$6,814,000 (2023: US$3,180,000). At 31 December 2024, contributions totalling US$884,000 (2023: US$1,124,000) and US$2,373,000 (2023: US$2,168,000) to the defined contribution and defined benefit retirement schemes were included in trade and other payables and contract liabilities. No forfeited contributions were available as at 31 December 2024 and 2023 to reduce future contributions.

## 26 PENSION AND RETIREMENT LIABILITIES (CONTINUED)

### Defined benefit retirement scheme

The amounts recognised in the consolidated balance sheet were as follow:

| | **2024** | | | 2023 | | |
|---|---|---|---|---|---|---|
| | **Current US$'000** | **Non-current US$'000** | **Total US$'000** | Current US$'000 | Non-current US$'000 | Total US$'000 |
| Defined benefit retirement scheme – PRC (note) | **2,373** | **17,418** | **19,791** | 2,168 | 13,014 | 15,182 |
| Defined benefit retirement scheme – Overseas | **–** | **802** | **802** | – | 881 | 881 |
| As at 31 December | **2,373** | **18,220** | **20,593** | 2,168 | 13,895 | 16,063 |

Note:

Defined benefit retirement scheme of a PRC subsidiary

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| Consolidated balance sheet liabilities for: | | |
| Early-retirement benefits for PRC employees | **6,657** | 5,747 |
| Post-retirement benefits for PRC employees | **13,134** | 9,435 |
| Total pension and retirement liabilities | **19,791** | 15,182 |
| Less: Current portion of pension and retirement liabilities included in trade and other payables and contract liabilities | **(2,373)** | (2,168) |
| Non-current portion of pension and retirement liabilities | **17,418** | 13,014 |
| Charged in consolidated income statement for: | | |
| Early-retirement benefits for PRC employees | **3,206** | 1,992 |
| Post-retirement benefits for PRC employees | **3,237** | 1,049 |
| | **6,443** | 3,041 |

The Group recognised liabilities for the present value of the unfunded obligations relating to retirement benefits payable to certain normal retired or early retired employees in the consolidated balance sheet. The liability related to the benefit obligations for eligible retired employees existing at year end is calculated by independent actuaries, using the projected unit credit method. The actuarial liabilities of early retirement and post retirement benefits as at 31 December 2024 totaled US$19,791,000 (2023: US$15,182,000).

## 26 PENSION AND RETIREMENT LIABILITIES (CONTINUED)

### Defined benefit retirement scheme (Continued)

Notes: (Continued)

Defined benefit retirement scheme of a PRC subsidiary (Continued)

Movements of the liabilities recognised in the consolidated balance sheet were as follows:

| | **2024** | | | 2023 | | |
|---|---|---|---|---|---|---|
| | **Early retirement US$'000** | **Post retirement US$'000** | **Total US$'000** | Early retirement US$'000 | Post retirement US$'000 | Total US$'000 |
| As at 1 January | **5,747** | **9,435** | **15,182** | 6,071 | 6,539 | 12,610 |
| Charged to the consolidated income statement | **3,206** | **3,237** | **6,443** | 1,992 | 1,049 | 3,041 |
| Charged to the consolidated statement of comprehensive income | **–** | **1,084** | **1,084** | – | 2,341 | 2,341 |
| Benefits paid | **(2,202)** | **(441)** | **(2,643)** | (2,215) | (370) | (2,585) |
| Exchange difference | **(94)** | **(181)** | **(275)** | (101) | (124) | (225) |
| As at 31 December | **6,657** | **13,134** | **19,791** | 5,747 | 9,435 | 15,182 |

The amounts of retirement benefit costs recognised in the consolidated income statement comprise:

| | **2024** | | | 2023 | | |
|---|---|---|---|---|---|---|
| | **Early retirement US$'000** | **Post retirement US$'000** | **Total US$'000** | Early retirement US$'000 | Post retirement US$'000 | Total US$'000 |
| Interest expense | **105** | **236** | **341** | 126 | 180 | 306 |
| Past service costs | **3,493** | **3,001** | **6,494** | 1,607 | 869 | 2,476 |
| Immediate recognition of actuarial (gains)/losses | **(392)** | **–** | **(392)** | 259 | – | 259 |

The principal actuarial assumptions used were as follows:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **Early retirement** | **Post retirement** | Early retirement | Post retirement |
| Discount rate | **1.00%** | **1.75%** | 2.50% | 2.75% |
| Mortality rate | **China Life Insurance Mortality Table (2010-2013) – CL5/CL6** | | China Life Insurance Mortality Table (2010-2013) – CL5/CL6 | |
| Annual withdraw rate | **N/A** | **N/A** | N/A | N/A |
| Annual increase rate of supplemental medical insurance contribution | **6%** | **6%** | 6% | 6% |
| Annual increase rate of early-retirement basic salary, social security insurance, housing fund and enterprise annuity contributions for early retirees | **5%** | **N/A** | 5% | N/A |

## 26 PENSION AND RETIREMENT LIABILITIES (CONTINUED)

### Defined benefit retirement scheme (Continued)

Notes: (Continued)

Defined benefit retirement scheme of a PRC subsidiary (Continued)

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

| | Impact on defined benefit retirement obligations | |
|---|---|---|
| | Increase in assumption US$'000 | Decrease in assumption US$'000 |
| Discount rate – change by 0.25% | (538) | 570 |
| Annual increase rate of supplemental medical insurance contribution – change by 1% | 1,724 | (1,383) |
| Annual increase rate of early retirement basic salary, social security insurance, housing fund and enterprise annuity contributions for early retirees – change by 1% | 104 | (100) |

The defined benefit retirement scheme caused many risks to the Group, and the primary risk is the fluctuation of the interest rates of government bonds. Decreasing in interest rates of government bonds results in increasing in the defined benefit obligation.

The expected maturity analysis of the undiscounted defined benefit obligation is as follows:

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| Within one year | **2,373** | 2,168 |
| Over one year | **22,102** | 18,638 |
| | **24,475** | 20,806 |

## 27 OTHER OPERATING INCOME

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| Management fee and other service income | **7,462** | 8,564 |
| Dividends income from listed and unlisted financial assets at FVOCI | **2,346** | 2,154 |
| Gain on deemed disposal of an associate | **27,724** | – |
| Gain on disposal of property, plant and equipment and right-of-use assets | **303** | 125 |
| Exchange gain, net | **–** | 2,017 |
| Fair value gain on a financial asset at FVPL | **2,980** | 1,303 |
| Others[note] | **18,430** | 25,303 |
| | **59,245** | 39,466 |

Note: Including rental income, subsidies and additional value-added tax credits, etc.

## 28 OPERATING PROFIT

Operating profit is stated after charging the followings:

| | 2024<br>US$'000 | 2023<br>US$'000 |
|---|---|---|
| **Charging:** | | |
| Amortisation of intangible assets (note 10) | **23,263** | 23,750 |
| Depreciation | | |
| – right-of-use assets (note 9(b)) | **47,089** | 47,272 |
| – property, plant and equipment (note 7) | **185,110** | 180,451 |
| Exchange loss, net | **8,106** | – |
| Loss on disposal of property, plant and equipment | **952** | 335 |
| Auditor's remuneration | **1,200** | 1,222 |
| Provision for inventories | **497** | 195 |
| Provision for impairment of trade receivables | **781** | 696 |
| Rental expenses under leases of | | |
| – land and buildings leased from third parties | **2,936** | 1,743 |
| – land and buildings leased from non-controlling shareholders of subsidiaries | **2** | 520 |
| – land and buildings leased from related parties | **406** | – |
| – plant and machinery leased from third parties | **2,853** | 3,145 |
| – concession from a fellow subsidiary (note a) | **71,601** | 78,402 |
| – concession from third parties (note a) | **7,611** | 7,156 |
| – concession from a non-controlling shareholder of a subsidiary (note a) | **13,765** | 11,025 |
| Fair value loss of investment properties | **4,740** | – |
| Provision for impairment of intangible assets | **1,461** | – |
| Total staff costs (including directors' emoluments and retirement benefit costs) | | |
| – wages, salaries and other benefits | **422,614** | 435,339 |
| – share-based payment reversal, net (note b) | **–** | (57) |
| | **422,614** | 435,282 |

Notes:

(a) The amounts represent variable lease payments linked to revenues/throughput.

(b) It represented the amounts of benefit in kind provided to the Company's directors and the Group's employees in respect of the Company's share options granted.

## 29 FINANCE INCOME AND COSTS

| | 2024<br>US$'000 | 2023<br>US$'000 |
|---|---|---|
| **Finance income** | | |
| Interest income on | | |
| – bank balances and deposits | **15,196** | 13,661 |
| – deposits with other financial institution | **7,344** | 8,242 |
| – loans to a joint venture and associates | **6,663** | 6,095 |
| | **29,203** | 27,998 |
| **Finance costs** | | |
| Interest expenses on | | |
| – bank loans | **(148,386)** | (137,439) |
| – notes wholly repayable within five years | **–** | (1,094) |
| – loans from other financial institution | **(10,151)** | (13,826) |
| – loans from non-controlling shareholders of subsidiaries | **(2,881)** | (2,928) |
| – loans from a joint venture | **(95)** | (488) |
| – loans from an associate | **(2)** | (580) |
| – lease liabilities | **(30,831)** | (30,332) |
| Amortised amount of | | |
| – discount on issue of notes | **–** | (10) |
| – transaction costs on bank loans and notes | **(1,683)** | (4,215) |
| | **(194,029)** | (190,912) |
| Less: amount capitalised in construction in progress | **42,823** | 21,422 |
| | **(151,206)** | (169,490) |
| Other incidental borrowing costs and charges | **(1,245)** | (1,699) |
| | **(152,451)** | (171,189) |
| Net finance costs | **(123,248)** | (143,191) |

## 30 TAXATION

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| Current taxation | | |
| – Hong Kong profits tax | **(433)** | – |
| – Mainland China taxation | **(49,457)** | (45,920) |
| – Overseas taxation | **(14,377)** | (20,981) |
| – (Under)/over provision in prior years | **(7,338)** | 22,930 |
| | **(71,605)** | (43,971) |
| Deferred taxation (charge)/credit | **(1,452)** | 8,765 |
| | **(73,057)** | (35,206) |

Hong Kong profits tax was provided at a rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the year. Taxation on overseas and Mainland China profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Deferred taxation is calculated in full on temporary differences under the liability method using tax rates substantively enacted by the balance sheet date.

Below is a reconciliation between taxation in the consolidated income statement and aggregate tax expense at the domestic rates applicable to profits in respective territories concerned:

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| Profit before taxation | **463,990** | 429,486 |
| Less: Share of profits less losses of joint ventures and associates | **(320,115)** | (297,861) |
| | **143,875** | 131,625 |
| Aggregate tax at domestic rates applicable to profits in respective territories concerned | **44,255** | 48,236 |
| Income not subject to taxation | **(12,479)** | (8,922) |
| Expenses not deductible for taxation purposes | **15,780** | 12,133 |
| Under/(over) provision in prior years | **7,338** | (22,930) |
| Tax losses not recognised | **6,881** | 4,346 |
| Provision for withholding taxation upon distribution of profits and payment of interest | **14,033** | 5,587 |
| Recognition of temporary difference previously unrecognised | **(629)** | (5,407) |
| Others | **(2,122)** | 2,163 |
| Taxation charged | **73,057** | 35,206 |

## 30 TAXATION (CONTINUED)

Except for the taxation of US$2,838,000 relating to the deferred tax charged (2023: US$62,000) on the fair value changes on financial assets at FVOCI in 2024, there was no taxation relating to other components of OCI for the year ended 31 December 2024 (2023: US$nil).

### (a) Pillar Two income taxes

The Group is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules, and it applies the HKAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Under the legislation, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion Proposal effective tax rate in each jurisdiction and the 15% minimum rate.

Based on the overall assessment performed by the ultimate holding company of the Group, the Group has no significant tax exposure for the relevant jurisdictions which it operates and have Pillar Two legislation enacted or substantively enacted. The Group is continuing to cooperate with the ultimate holding company in assessing its impact from the Pillar Two legislation in other jurisdictions in which the Group has operations and for when it comes into effect.

## 31 EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

| | **2024** | 2023 |
|---|---|---|
| Profit attributable to equity holders of the Company | **US$308,816,000** | US$324,557,000 |
| Weighted average number of ordinary shares in issue | **3,631,223,113** | 3,478,999,193 |
| Basic earnings per share | **US8.50 cents** | US9.33 cents |

### (b) Diluted

Diluted earnings per share is calculated based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the year, after adjusting for the number of dilutive potential ordinary shares deemed to be issued at no considerations as if all outstanding dilutive share options granted by the Company had been exercised.

The Group had no potentially dilutive ordinary shares in issue during 2024 and 2023.

## 32 DIVIDENDS

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| First interim dividend paid of US1.560 cents (2023: US1.744 cents) per ordinary share | **57,287** | 61,054 |
| Second interim dividend declared of US1.840 cents (2023: US1.988 cents) per ordinary share | **69,209** | 70,844 |
| | **126,496** | 131,898 |

Note:

At a meeting held on 21 March 2025, the directors declared a second interim dividend for the year ended 31 December 2024 (in lieu of a final dividend) of HK14.2 cents (equivalent to US1.840 cents) per ordinary share. The dividend will be payable in cash and with a scrip dividend alternative. The second interim dividend declared is not reflected as dividend payable in these consolidated financial statements but will be reflected as an appropriation of retained profits for the year ending 31 December 2025.

## 33 DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

### (a) Directors' emoluments

The aggregate amounts of emoluments paid to directors of the Company during the year are set out as follows:

| | 2024 US$'000 | 2023 US$'000 |
|---|---|---|
| Fees | **245** | 244 |
| Salaries, housing and other allowances | **526** | 636 |
| Bonuses | **313** | 181 |
| Contributions to retirement benefit schemes | **2** | 2 |
| | **1,086** | 1,063 |

Directors' fees disclosed above include US$245,000 (2023: US$244,000) paid to independent non-executive directors. The fees comprises, among others, an annual fee of US$36,000 (2023: US$36,000) paid to each independent non-executive director and fees paid to them for acting as chairman or members of the committees established under the Board (as applicable).

As at 31 December 2023, all share options of the Company were forfeited.

For the year ended 31 December 2024, no share option was exercised (2023: Nil).

Details and movements of share options granted and exercised during the year are set out in note 20 to the consolidated financial statements.

# 33 DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

## (a) Directors' emoluments (Continued)

The directors' emoluments are analysed as follows:

| | | Year ended 31 December 2024 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Name of directors | Note | Fees US$'000 | Salary US$'000 | Discretionary bonuses US$'000 | Housing and other allowances US$'000 | Estimated money value of other benefits US$'000 | Contributions to retirement benefit schemes US$'000 | Remunerations paid or receivable in respect of accepting office as director US$'000 | As management (note e) US$'000 | Total US$'000 |
| Mr. YANG Zhijian | i | - | - | - | - | - | - | - | - | - |
| Mr. ZHU Tao | | - | 67 | 124 | 158 | - | - | - | - | 349 |
| Mr. ZHANG Wei | ii | - | - | - | - | - | - | - | - | - |
| Mr. CHEN Dong | iii | - | - | - | - | - | - | - | - | - |
| Mr. MA Xianghui | iv | - | - | - | - | - | - | - | - | - |
| Mr. CHEN Shuai | v | - | - | - | - | - | - | - | - | - |
| Dr. WONG Tin Yau, Kelvin | vi | - | 287 | 189 | 14 | - | 2 | - | - | 492 |
| Dr. FAN HSU Lai Tai, Rita | | 53 | - | - | - | - | - | - | - | 53 |
| Mr. Adrian David LI Man Kiu | | 59 | - | - | - | - | - | - | - | 59 |
| Mr. LAM Yiu Kin | | 42 | - | - | - | - | - | - | - | 42 |
| Prof. CHAN Ka Lok | | 50 | - | - | - | - | - | - | - | 50 |
| Mr. YANG Liang Yee Philip | | 41 | - | - | - | - | - | - | - | 41 |
| | | 245 | 354 | 313 | 172 | - | 2 | - | - | 1,086 |

| | | Year ended 31 December 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Name of directors | Note | Fees US$'000 | Salary US$'000 | Discretionary bonuses US$'000 | Housing and other allowances US$'000 | Estimated money value of other benefits US$'000 | Contributions to retirement benefit schemes US$'000 | Remunerations paid or receivable in respect of accepting office as director US$'000 | As management (note e) US$'000 | Total US$'000 |
| Mr. YANG Zhijian | | - | - | - | - | - | - | - | - | - |
| Mr. ZHU Tao | | - | 102 | 64 | 159 | - | - | - | - | 325 |
| Mr. ZHANG Wei | | - | - | - | - | - | - | - | - | - |
| Mr. CHEN Dong | | - | - | - | - | - | - | - | - | - |
| Dr. WONG Tin Yau, Kelvin | | - | 353 | 117 | 22 | - | 2 | - | - | 494 |
| Dr. FAN HSU Lai Tai, Rita | | 52 | - | - | - | - | - | - | - | 52 |
| Mr. Adrian David LI Man Kiu | | 59 | - | - | - | - | - | - | - | 59 |
| Mr. LAM Yiu Kin | | 42 | - | - | - | - | - | - | - | 42 |
| Prof. CHAN Ka Lok | | 50 | - | - | - | - | - | - | - | 50 |
| Mr. YANG Liang Yee Philip | | 41 | - | - | - | - | - | - | - | 41 |
| | | 244 | 455 | 181 | 181 | - | 2 | - | - | 1,063 |

Notes:

(i) Resigned as Executive Director on 26 June 2024

(ii) Resigned as Non-Executive Director on 24 December 2024

(iii) Retired as Non-Executive Director on 24 May 2024

(iv) Appointed as Non-Executive Director on 26 June 2024

(v) Appointed as Non-Executive Director on 24 December 2024

(vi) Resigned as Executive Director on 14 October 2024

The above analysis includes one (2023: two) directors whose emoluments were among the five highest in the Group.

## 33 DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

### (b) Five highest paid individuals

Details of the aggregate emoluments paid to four (2023: three) individual whose emoluments were the highest in the Group and have not been included in the directors' emoluments above are set out below:

| | 2024<br>US$'000 | 2023<br>US$'000 |
|---|---|---|
| Salaries, share options, and other allowances | **1,040** | 770 |
| Bonuses | **671** | 377 |
| Contributions to retirement benefit schemes | **8** | 4 |
| | **1,719** | 1,151 |

The emoluments of the highest paid individuals fell within the following bands:

| | Number of individuals | |
|---|---|---|
| | 2024 | 2023 |
| Emolument bands | | |
| US$256,321-US$320,402 (HK$2,000,001-HK$2,500,000) | **–** | – |
| US$320,403-US$384,482 (HK$2,500,001-HK$3,000,000) | **2** | 1 |
| US$384,483-US$448,562 (HK$3,000,001-HK$3,500,000) | **1** | 2 |
| US$448,563-US$512,643 (HK$3,500,001-HK$4,000,000) | **–** | – |
| US$512,644-US$576,723 (HK$4,000,001-HK$4,500,000) | **1** | – |
| | **4** | 3 |

**(c)** During the year, no emolument had been paid by the Group to the directors or the five highest paid individuals as compensation for loss of office. During the year, no directors waived or agreed to waive any emoluments.

**(d)** No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**(e)** The amounts represented emoluments paid or receivable in respect of a person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings and included salaries, discretionary bonuses, employer's contributions to retirement benefit schemes and housing allowance.

## 34 CAPITAL COMMITMENTS

The Group has the following significant capital commitments as at 31 December 2024 and 2023:

| | 2024<br>US$'000 | 2023<br>US$'000 |
|---|---|---|
| Contracted but not provided for | | |
| – Investments (note) | **128,215** | 258,390 |
| – Other property, plant and equipment | **371,840** | 655,413 |
| | **500,055** | 913,803 |

The Group's share of capital commitments of the joint ventures themselves not included in the above are as follows:

| | 2024<br>US$'000 | 2023<br>US$'000 |
|---|---|---|
| Contracted but not provided for | **7,668** | 8,545 |

Note:

The capital commitments in respect of investments of the Group as at 31 December 2024 and 2023 are as follows:

| | 2024<br>US$'000 | 2023<br>US$'000 |
|---|---|---|
| Contracted but not provided for | | |
| Investments in: | | |
| – Antwerp Gateway NV | **–** | 54,821 |
| – Ningbo Yuan Dong Terminals Limited | **–** | 70,595 |
| – Laem Chabang Port | **108,840** | – |
| – Others | **19,375** | 71,960 |
| | **128,215** | 197,376 |
| Terminal projects in: | | |
| – Shanghai Yangshan Port Phase II | **–** | 56,476 |
| – Others | **–** | 4,538 |
| | **–** | 61,014 |
| | **128,215** | 258,390 |

## 35 OPERATING LEASE ARRANGEMENTS

As at 31 December 2024 and 2023, the Group had future minimum lease receipts under non-cancellable operating leases as follows:

| | **2024** **US$'000** | 2023 US$'000 |
|---|---|---|
| Buildings, leasehold land and land use rights | | |
| – not later than one year | **1,658** | 163 |
| – between 1 and 2 years | **1,416** | 2 |
| – between 2 and 3 years | **151** | 2 |
| – between 3 and 4 years | **145** | 2 |
| – between 4 and 5 years | **146** | 2 |
| – later than five years | **691** | 6 |
| | **4,207** | 177 |
| Investment properties | | |
| – not later than one year | **4,889** | 2,388 |
| – between 1 and 2 years | **2,254** | 1,882 |
| – between 2 and 3 years | **440** | 756 |
| – between 3 and 4 years | **8** | 49 |
| – between 4 and 5 years | **8** | – |
| – later than five years | **230** | – |
| | **7,829** | 5,075 |
| Plant and machinery | | |
| – not later than one year | **715** | 609 |
| – between 1 and 2 years | **499** | 440 |
| – between 2 and 3 years | **24** | 223 |
| | **1,238** | 1,272 |
| | **13,274** | 6,524 |

# 36 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

## (a) Reconciliation of profit before taxation to cash generated from operations

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| Profit before taxation | **463,990** | 429,486 |
| Amortised amount of | | |
| – discount on issue of notes | **–** | 10 |
| – transaction costs on bank loans and notes | **1,683** | 4,215 |
| Depreciation and amortisation | **255,462** | 251,473 |
| Dividends income from listed and unlisted financial assets at FVOCI | **(2,346)** | (2,154) |
| Fair value gain on a financial asset at FVPL | **(2,980)** | (1,303) |
| Fair value loss on investment properties | **4,740** | – |
| Gain on deemed disposal of an associate | **(27,724)** | – |
| Interest expenses | **151,206** | 165,265 |
| Interest income | **(29,203)** | (27,998) |
| Loss on disposal of property, plant and equipment, net | **649** | 210 |
| Other incidental borrowing costs and charges | **1,245** | 1,699 |
| Provision for impairment of trade receivables | **781** | 696 |
| Provision for inventories | **497** | 195 |
| Share-based compensation reversal, net | **–** | (57) |
| Share of profits less losses of | | |
| – joint ventures | **(57,173)** | (61,805) |
| – associates | **(262,942)** | (236,056) |
| Write back of provision for impairment of trade receivables | **(81)** | (555) |
| Provision for impairment of intangible assets | **1,461** | – |
| Operating profit before working capital changes | **499,265** | 523,321 |
| Changes in inventories | **(446)** | (658) |
| Changes in trade and other receivables, prepayments and contract assets | **(34,748)** | 18,777 |
| Changes in amounts due from fellow subsidiaries | **(98)** | 1,748 |
| Changes in amounts due from associates | **6,926** | 4,828 |
| Changes in amounts due from joint ventures | **1,921** | 730 |
| Changes in amounts due from non-controlling shareholders of subsidiaries | **–** | 516 |
| Changes in trade and other payables and contract liabilities | **(10,781)** | (26,403) |
| Changes in amounts due to fellow subsidiaries | **(435)** | 1,092 |
| Changes in amounts due to non-controlling shareholders of subsidiaries | **(3,227)** | (1,336) |
| Changes in amount due to related companies | **(742)** | (1,445) |
| Cash generated from operations | **457,635** | 521,170 |

## 36 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

### (b) Major non-cash transactions

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| Addition of right-of-use assets | **29,327** | 23,588 |

### (c) Analysis of the balances of restricted bank deposits and cash and cash equivalents

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| Total time deposits, bank balances and cash (note i) | **1,029,233** | 1,208,039 |
| Restricted bank deposits included in current assets | **(21,823)** | (45,113) |
| | **1,007,410** | 1,162,926 |
| Representing: | | |
| Time deposits with original maturity of three months or less | **2,868** | 290,419 |
| Bank balances and cash | **524,640** | 391,912 |
| Balances placed with other financial institution (note iii) | **479,902** | 480,595 |
| | **1,007,410** | 1,162,926 |

Notes:

(i) As at 31 December 2024, the Group's cash and cash equivalents of US$496,673,000 (2023: US$541,726,000) denominated in Renminbi and US dollar, are placed with bank and other financial institution operating in the PRC where exchange controls apply.

(ii) The carrying amounts of time deposits, bank balances and cash are denominated in the following currencies:

| | **2024 US$'000** | 2023 US$'000 |
|---|---|---|
| US dollar | **243,985** | 399,783 |
| Renminbi | **471,248** | 538,635 |
| Euro | **220,999** | 186,251 |
| Hong Kong dollar | **48,850** | 7,408 |
| Other currencies | **22,328** | 30,849 |
| | **1,007,410** | 1,162,926 |

(iii) Balances placed with other financial institution, including a related party, bear interest at prevailing market rates.

## 36 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

### (d) Reconciliation of liabilities arising from financing activities

| | Borrowings US$'000 | Loans from non-controlling shareholders of subsidiaries US$'000 | Loans from a joint venture and an associate US$'000 | Lease liabilities US$'000 |
|---|---|---|---|---|
| **Balance as at 1 January 2024** | 3,234,631 | 64,174 | 21,194 | 810,529 |
| Changes from financing cash flows | | | | |
| Loans drawn down | 1,158,880 | – | – | – |
| Loans repaid | (1,233,415) | – | (21,178) | – |
| Principal elements of lease payment | – | – | – | (22,456) |
| Payment of lease interest | – | – | – | (28,589) |
| Other changes | | | | |
| Addition of lease liabilities | – | – | – | 23,892 |
| Disposal of lease liabilities | – | – | – | (86) |
| Extension and remeasurement of right-of-use assets | – | – | – | 5,435 |
| Finance cost of lease liabilities | – | – | – | 30,831 |
| Foreign exchange differences | (48,915) | (5,910) | (16) | (28,605) |
| Other non-cash movements | (12,123) | – | – | – |
| | (135,573) | (5,910) | (21,194) | (19,578) |
| Balance of interest payable | 15,423 | 2,030 | – | – |
| **Balance as at 31 December 2024** | 3,114,481 | 60,294 | – | 790,951 |

## 36 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

### (d) Reconciliation of liabilities arising from financing activities (Continued)

| | Borrowings US$'000 | Loans from non-controlling shareholders of subsidiaries US$'000 | Loans from a joint venture and an associate US$'000 | Lease liabilities US$'000 |
|---|---|---|---|---|
| **Balance as at 1 January 2023** | 2,908,623 | 76,549 | 40,948 | 785,882 |
| Changes from financing cash flows | | | | |
| Loans drawn down | 1,376,793 | – | 38,767 | – |
| Loans repaid | (1,078,098) | (16,946) | (57,327) | – |
| Principal elements of lease payment | – | – | – | (21,926) |
| Payment of lease interest | – | – | – | (27,950) |
| Other changes | | | | |
| Addition of lease liabilities | – | – | – | 10,334 |
| Disposal of lease liabilities | – | – | – | (261) |
| Extension and remeasurement of right-of-use assets | – | – | – | 13,002 |
| Acquisition of subsidiaries | 17,750 | – | – | 502 |
| Finance cost of lease liabilities | – | – | – | 30,332 |
| Foreign exchange differences | (8,469) | 1,983 | (1,209) | 20,614 |
| Other non-cash movements | 4,226 | – | – | – |
| | 312,202 | (14,963) | (19,769) | 24,647 |
| Balance of interest payable | 13,806 | 2,588 | 15 | – |
| **Balance as at 31 December 2023** | 3,234,631 | 64,174 | 21,194 | 810,529 |

Note:

During the year ended 31 December 2023, included in an amount due to a non-controlling shareholder of a subsidiary of US$22,609,000 was reclassified to amounts due to a related company. A repayment of US$22,609,000 was fully settled by the Group.

## 37 RELATED PARTY TRANSACTION

The Group is controlled by COSCO SHIPPING Holdings which owns 71.55% of the Company's shares as at 31 December 2024. The parent company of COSCO SHIPPING Holdings is COSCO, and the parent company of COSCO is COSCO SHIPPING.

COSCO SHIPPING is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. PRC government related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government, are also defined as related parties of the Group. On that basis, related parties include COSCO SHIPPING and its subsidiaries, other government related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and COSCO SHIPPING as well as their close family members.

For the purpose of the related party transaction disclosures, the Directors believe that it is meaningful to disclose the related party transactions with COSCO SHIPPING group companies for the interests of financial statements' users, although certain of those transactions which are individually or collectively not significant, and are exempted from disclosure upon adoption of HKAS 24 (Revised). The Directors believe that the information of related party transactions has been adequately disclosed in the consolidated financial statements.

In addition to those disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year.

## 37 RELATED PARTY TRANSACTION (CONTINUED)

### (a) Sales/purchases of goods, services and investments

| | 2024<br>US$'000 | 2023<br>US$'000 |
|---|---|---|
| Management fee and service fee income from (note i) | | |
| – joint ventures | **4,593** | 4,546 |
| – associates | **1,344** | 1,614 |
| Terminal handling and storage income received from (note ii, xii) | | |
| – fellow subsidiaries | **422,819** | 440,400 |
| – non-controlling shareholders of subsidiaries | **335,864** | 170,115 |
| Container handling and logistics service fees to non-controlling shareholders of subsidiaries (note iii, xii) | **(50,553)** | (46,098) |
| Electricity and fuel expenses paid to (note iv, xii) | | |
| – fellow subsidiaries | **(9,377)** | (9,425) |
| – non-controlling shareholders of subsidiaries | **(7,162)** | (5,519) |
| Handling, storage and maintenance expenses to (note v, xii) | | |
| – fellow subsidiaries | **(1,798)** | (1,109) |
| – non-controlling shareholders of subsidiaries | **(8,757)** | (3,705) |
| Rental expenses paid to non-controlling shareholders of subsidiaries (note vi) | **(2)** | (520) |
| Rental income received from non-controlling shareholders of subsidiaries (note vii) | **3,374** | 3,667 |
| Purchase of materials from (note viii, xii) | | |
| – fellow subsidiaries | **(834)** | (264) |
| – a non-controlling shareholder of a subsidiary | **(1,852)** | (1,776) |
| Insurance expenses paid to a fellow subsidiary (note ix) | **(1,339)** | (1,345) |
| Concession fee paid to (note x, xii) | | |
| – a fellow subsidiary | **(71,601)** | (78,402) |
| – a non-controlling shareholder of a subsidiary | **(13,765)** | (11,025) |
| Payments of lease liabilities to (note xi, xii) | | |
| – a fellow subsidiary | **(15,478)** | (14,870) |
| – non-controlling shareholders of subsidiaries | **(4,811)** | (5,757) |

## 37 RELATED PARTY TRANSACTION (CONTINUED)

### (a) Sales/purchases of goods, services and investments (Continued)

Notes:

(i) The Group provided advisory and management services to COSCO-HIT Terminals (Hong Kong) Limited, a joint venture of the Group, during the year. Management fee was charged and agreed at HK$23,024,000 (equivalent to US$2,951,000) (2023: HK$22,647,000 (equivalent to US$2,893,000)) per annum.

Other management fee and service fee income charged to joint ventures and associates were agreed between the Group and the respective parties in concern.

(ii) The terminal related service income received from fellow subsidiaries and non-controlling shareholders of subsidiaries in relation to the cargoes shipped from/to Quanzhou, Jinjiang, Xiamen, Nansha, Lianyungang, Jinzhou, Nantong, Wuhan and Tianjin were charged at rates by reference to rates as set out by the Ministry of Transport of the PRC.

The terminal related service income received from fellow subsidiaries in relation to the cargoes shipped from/to Piraeus Ports, Zeebrugge, Spain and Abu Dhabi were charged at rates as mutually agreed.

(iii) The terminal related services fee paid to non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(iv) Electricity and fuel expenses paid to fellow subsidiaries and non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(v) Handling, storage and maintenance expenses paid to fellow subsidiaries and non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(vi) Rental expenses paid to non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(vii) Rental income received from non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(viii) The purchase of materials from fellow subsidiaries and a non-controlling shareholder of a subsidiary were conducted at terms as set out in the agreements entered into between the Group and the respective parties in concern.

(ix) Insurance expenses paid to a fellow subsidiary were charged at rates as mutually agreed.

(x) Concession fee paid to a fellow subsidiary and a non-controlling shareholder of a subsidiary were charged and mutually agreed at a variable annual concession fee based on the aggregate revenue of the terminals.

(xi) The payments of lease liabilities to a fellow subsidiary and non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(xii) The transactions represent continuing connected transactions which has complied with the disclosure requirements in accordance with Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (“the Listing Rules”).

## 37 RELATED PARTY TRANSACTION (CONTINUED)

### (b) Key management compensation

| | 2024<br>US$'000 | 2023<br>US$'000 |
|---|---|---|
| Salaries, bonuses and other allowances | 2,004 | 1,911 |
| Contributions to retirement benefit schemes | 4 | 4 |
| | 2,008 | 1,915 |

Key management includes directors of the Company and three (2023: three) senior management members of the Group.

The emoluments of the senior management members fell within the following bands:

| | Number of individuals 2024 | Number of individuals 2023 |
|---|---|---|
| Emolument bands | | |
| US$128,161-US$256,321 (HK$1,000,001-HK$2,000,000) | – | – |
| US$256,322-US$320,402 (HK$2,000,001-HK$2,500,000) | 2 | 1 |
| US$320,403-US$384,482 (HK$2,500,001-HK$3,000,000) | – | – |
| US$384,483-US$448,562 (HK$3,000,001-HK$3,500,000) | – | 2 |
| US$448,563-US$512,643 (HK$3,500,001-HK$4,000,000) | – | – |
| US$512,644-US$576,723 (HK$4,000,001-HK$4,500,000) | 1 | – |
| | 3 | 3 |

## 38 BUSINESS COMBINATION AND ACQUISITION OF AN ASSOCIATE

### (a) Acquisition of subsidiaries

On 30 December 2022, China Shipping Terminal Development Co., Ltd. ("CSTD", a wholly-owned subsidiary of the Company) entered into an equity transfer agreement with Xiamen Haitou Supply Chain Operation Co., Ltd. ("Xiamen Haitou Operation") in relation to the sale and purchase of 56% interest in COSCO SHIPPING Ports Supply Chain (Xiamen) Development Co., Ltd. ("Xiamen Haitou Supply Chain") (formerly known as Xiamen Haicang Free Trade Port Zone Investment and Construction Management Co., Ltd), at a total consideration of approximately RMB638,408,000 (equivalent to approximately US$94,410,000).

The equity transfer was completed, and the consideration was transferred to Xiamen Haitou Operation by CSTD on 28 February 2023. Xiamen Haitou Supply Chain has become a subsidiary of the Group since the closing date.

## 38 BUSINESS COMBINATIONS AND ACQUISITION OF AN ASSOCIATE (CONTINUED)

### (a) Acquisition of subsidiaries (Continued)

Details of net asset acquired are as follows:

| | 2023<br>US$'000 |
|---|---|
| Purchase consideration | 94,410 |
| Fair value of net assets acquired shown as below | (77,119) |
| Goodwill | 17,291 |

The major components of assets and liabilities arising from the business combination are as follows:

| | **Fair value<br>US$'000** |
|---|---|
| Property, plant and equipment | 90,553 |
| Right-of-use assets | 389 |
| Investment properties | 84,965 |
| Intangible assets | 75 |
| Associates | 22,347 |
| Deferred tax assets | 5 |
| Trade and other receivables, prepayments and contract assets | 2,452 |
| Cash and cash equivalents | 14,695 |
| Deferred tax liabilities | (23,730) |
| Long term borrowings | (16,271) |
| Other long term liabilities | (5) |
| Current portion of lease liabilities | (502) |
| Current portion of long term borrowings | (1,479) |
| Trade and other payables and contract liabilities | (32,872) |
| Tax payables | (399) |
| Fair value of net assets acquired | 140,223 |
| Less: non-controlling interests | (63,104) |
| | 77,119 |
| Purchase consideration settled in cash | (94,410) |
| Less: Cash and cash equivalents acquired | 14,695 |
| Net cash outflow | (79,715) |

## 38 BUSINESS COMBINATION AND ACQUISITION OF AN ASSOCIATE (CONTINUED)

### (a) Acquisition of subsidiaries (Continued)

The acquired businesses contributed revenue of US$31,351,000, and net profit of US$3,017,000 to the group for the period from 1 March to 31 December 2023. If the acquisition had occurred on 1 January 2023, consolidated revenue and profit for the year ended 31 December 2023 would have been increased by US$9,216,000 and decreased by US$456,000 respectively.

### (b) Acquisition of an associate

In June 2023, Grand Dragon Investment Enterprise Limited (a wholly-owned subsidiary of the Company) entered into an Amended and Restated Purchase Agreement with Hamburger Hafen und Logistik Aktiengesellschaft to acquire 24.99% interests in HHLA Container Terminal Tollerort GmbH ("CTT"). The transaction was completed on 20 June 2023 at a total consideration of approximately EURO67,127,000 (equivalent to approximately US$72,051,000) which including the consideration for the shares, closing shareholder loan and related interest. CTT has become an associate of the Group since the completion date.

## 39 TRANSACTION WITH NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

In February 2023, the Group acquired an additional 30% interests in Xiamen Ocean Gate Container Terminal Co., Ltd. ("Xiamen Ocean Gate Terminal") at a total consideration of approximately RMB843,048,000 (equivalent to approximately US$124,704,000). The transaction was completed on 28 February 2023. Immediately prior to the transaction, the carrying amount of the existing 30% non-controlling interest in Xiamen Ocean Gate Terminal was US$97,185,000. The Group recognised a decrease in non-controlling interest of US$97,185,000 and a decrease in equity attributable to owners of the parent of US$27,519,000.

On 29 August 2024, the Company entered into an equity transfer agreement with OOCL Terminal Tianjin (B.V.I.) Limited ("OOCL") in relation to the disposal of 20% of the equity interest and the assignment of 20% of the shareholder's loan in COSCO SHIPPING Ports (Tianjin) Limited (the "Target Company") to OOCL (the "Disposal") at an aggregate consideration of approximately US$49,289,000. The Disposal was completed in September 2024. Upon the completion, the Target Company is owned as to 80% and 20% by the Company and OOCL, respectively, and remains as a subsidiary of the Company.

## 40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

| | Note | 2024 US$'000 | 2023 US$'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | | **2,705** | – |
| Prepayments | | **2,072** | 2,991 |
| Subsidiaries | | **5,571,084** | 5,888,836 |
| Amounts due from subsidiaries | | **102,777** | 103,099 |
| | | **5,678,638** | 5,994,926 |
| **Current assets** | | | |
| Other receivables | | **1,296** | 2,388 |
| Amounts due from subsidiaries | | **69,988** | 87,118 |
| Amount due from an associate | | **1,332** | 2,405 |
| Amounts due from fellow subsidiaries | | **3,907** | 4,312 |
| Cash and cash equivalents | | **225,045** | 362,744 |
| | | **301,568** | 458,967 |
| **Total assets** | | **5,980,206** | 6,453,893 |

## 40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

| | Note | 2024 US$'000 | 2023 US$'000 |
|---|---|---|---|
| **Equity** | | | |
| **Capital and reserves attributable to the equity holders of the Company** | | | |
| Share capital | | **48,279** | 45,742 |
| Reserves | (a) | **4,601,466** | 4,542,526 |
| **Total equity** | | **4,649,745** | 4,588,268 |
| **Liabilities** | | | |
| **Non-current liability** | | | |
| Long term borrowings | | **600,000** | 1,070,000 |
| **Current liabilities** | | | |
| Short term borrowings | | **194,869** | 341,179 |
| Other payables | | **56,049** | 54,320 |
| Current tax liabilities | | **1,112** | 145 |
| Amounts due to subsidiaries | | **478,431** | 399,981 |
| | | **730,461** | 795,625 |
| **Total liabilities** | | **1,330,461** | 1,865,625 |
| **Total equity and liabilities** | | **5,980,206** | 6,453,893 |

On behalf of the Board

**ZHU Tao**

*Chairman and Managing Director*

## 40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

### Note: (a) Reserve movement of the company

| | Share premium US$'000 | Contributed surplus (note) US$'000 | Share option reserve US$'000 | Retained profits US$'000 | Total US$'000 |
|---|---|---|---|---|---|
| At 1 January 2024 | **2,076,078** | **414,214** | **–** | **2,052,234** | **4,542,526** |
| Profit for the year | **–** | **–** | **–** | **80,061** | **80,061** |
| Issued of share on settlement of scrip dividends | **107,009** | **–** | **–** | **–** | **107,009** |
| Dividends paid to equity holders of the Company | | | | | |
| – 2023 second interim | **–** | **–** | **–** | **(70,844)** | **(70,844)** |
| – 2024 first interim | **–** | **–** | **–** | **(57,286)** | **(57,286)** |
| At 31 December 2024 | **2,183,087** | **414,214** | **–** | **2,004,165** | **4,601,466** |
| Representing: | | | | | |
| Reserves | **2,183,087** | **414,214** | **–** | **1,934,956** | **4,532,257** |
| 2024 second interim dividend declared | **–** | **–** | **–** | **69,209** | **69,209** |
| At 31 December 2024 | **2,183,087** | **414,214** | **–** | **2,004,165** | **4,601,466** |
| At 1 January 2023 | 2,001,907 | 414,214 | 4,760 | 2,080,521 | 4,501,402 |
| Profit for the year | – | – | – | 84,513 | 84,513 |
| Issued of share on settlement of scrip dividends | 74,171 | – | – | – | 74,171 |
| Share based compensation | – | – | (57) | – | (57) |
| Transfer of share option reserve upon the expiry of share options | – | – | (4,703) | – | (4,703) |
| Dividends paid to equity holders of the Company | | | | | |
| – 2022 second interim | – | – | – | (51,746) | (51,746) |
| – 2023 first interim | – | – | – | (61,054) | (61,054) |
| At 31 December 2023 | 2,076,078 | 414,214 | – | 2,052,234 | 4,542,526 |
| Representing: | | | | | |
| Reserves | 2,076,078 | 414,214 | – | 1,981,390 | 4,471,682 |
| 2023 second interim dividend declared | – | – | – | 70,844 | 70,844 |
| At 31 December 2023 | 2,076,078 | 414,214 | – | 2,052,234 | 4,542,526 |

Note:

The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued in exchange for the issued share capital and the net asset value of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to shareholders.

## 41 DETAILS OF SUBSIDIARIES

Details of the subsidiaries as at 31 December 2024 are as follows:

| | Name | Place of incorporation/ establishment | Place of operation | Principal activities | Issued share capital/ paid-up capital | Group effective interest 2024 | 2023 |
|---|---|---|---|---|---|---|---|
| 2 | Cheer Dragon Investment Limited | Hong Kong | Hong Kong | Investment holding | HK$3 divided into 3 ordinary shares | **66.67%** | 66.67% |
| 2, 3 | China Shipping Terminal Development Co., Limited | PRC | PRC | Investment holding | RMB11,550,131,586 | **100.00%** | 100.00% |
| 1 | COSCO Pacific Limited | British Virgin Islands | Hong Kong | Provision of treasury services | 1 ordinary share of US$1 | **100.00%** | 100.00% |
| 1 | COSCO Ports (Nansha) Limited | British Virgin Islands | Hong Kong | Investment holding | 20,000 ordinary shares of US$1 each | **66.10%** | 66.10% |
| | COSCO SHIPPING Ports (Abu Dhabi) Limited | British Virgin Islands | Hong Kong | Investment holding | US$20,000 divided into 20,000 ordinary shares | **44.45%** | 44.45% |
| 1, 2 | COSCO SHIPPING Ports (Abu Dhabi CFS) Limited | British Virgin Islands | British Virgin Islands | Investment holding | US$17,000,001 divided into 17,000,001 ordinary shares | **100.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports (ACT) Limited | British Virgin Islands | Hong Kong | Investment holding | US$40,000,001 divided into 40,000,001 ordinary shares | **100.00%** | 100.00% |
| 2 | COSCO SHIPPING Ports (Antwerp) NV | Belgium | Belgium | Investment holding | Euro61,500 divided into 2 shares with no face value | **100.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports (Belgium) Limited | Hong Kong | Hong Kong | Investment holding | HK$1 divided into 1 ordinary share and US$7,000,000 divided into 7,000,000 ordinary shares | **100.00%** | 100.00% |
| 1, 2 | COSCO SHIPPING Ports (Chancay) Limited | British Virgin Islands | British Virgin Islands | Investment holding | US$5,001,000 divided into 5,001,000 ordinary shares | **100.00%** | 100.00% |
| 1, 2 | COSCO SHIPPING Ports (CHT) Limited | British Virgin Islands | British Virgin Islands | Investment holding | 2 ordinary shares of US$1 each | **100.00%** | 100.00% |
| 1, 2 | COSCO SHIPPING Ports (Dalian) Limited | British Virgin Islands | British Virgin Islands | Investment holding | 1 ordinary share of US$1 | **100.00%** | 100.00% |
| 1, 2 | COSCO SHIPPING Ports (Dalian RoRo) Limited | British Virgin Islands | British Virgin Islands | Investment holding | 1 ordinary share of US$1 | **100.00%** | 100.00% |

## 41 DETAILS OF SUBSIDIARIES (CONTINUED)

| | Name | Place of incorporation/ establishment | Place of operation | Principal activities | Issued share capital/ paid-up capital | Group effective interest 2024 | 2023 |
|---|---|---|---|---|---|---|---|
| 1 | COSCO SHIPPING Ports (Fangchenggang) Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares | **100.00%** | 100.00% |
| 1, 2 | COSCO SHIPPING Ports (Greece) S.à r.l. | Luxembourg | Luxembourg | Investment holding | Euro512,500 divided into 20,500 shares of Euro25 each | **100.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports (Istanbul) Limited | Hong Kong | Hong Kong | Investment holding | HK$1 divided into 1 ordinary share and US$95,000,000 divided into 95,000,000 ordinary shares | **100.00%** | 100.00% |
| 1, 2 | COSCO SHIPPING Ports (Jinjiang) Limited | British Virgin Islands | British Virgin Islands | Investment holding | 1 ordinary share of US$1 | **100.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports (Nansha) Supply Chain Company Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares | **100.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports (Nantong) Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares and US$61,071,000 divided into 61,071,000 ordinary shares | **100.00%** | 100.00% |
| 1, 2 | COSCO SHIPPING Ports (Ningbo) Limited | British Virgin Islands | British Virgin Islands | Investment holding | 1 ordinary share of US$1 | **100.00%** | 100.00% |
| 1, 2 | COSCO SHIPPING Ports (Port Said) Limited | British Virgin Islands | British Virgin Islands | Investment holding | 1 ordinary share of US$1 | **100.00%** | 100.00% |
| 1, 2 | COSCO SHIPPING Ports (Pudong) Limited | British Virgin Islands | British Virgin Islands | Investment holding | 1 ordinary share of US$1 | **100.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports (Quanzhou) Limited | British Virgin Islands | Hong Kong | Investment holding | 1 ordinary share of US$1 | **100.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports (Rotterdam) Limited | Hong Kong | Hong Kong | Investment holding | HK$1 divided into 1 ordinary share | **51.00%** | 51.00% |
| 1, 2 | COSCO SHIPPING Ports (Singapore) Limited | British Virgin Islands | British Virgin Islands | Investment holding | 1 ordinary share of US$1 | **100.00%** | 100.00% |

## 41 DETAILS OF SUBSIDIARIES (CONTINUED)

| | Name | Place of incorporation/ establishment | Place of operation | Principal activities | Issued share capital/ paid-up capital | Group effective interest 2024 | Group effective interest 2023 |
|---|---|---|---|---|---|---|---|
| 1 | COSCO SHIPPING Ports (Spain) Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares and Euro70,550,000 divided into 70,550,000 ordinary shares | **100.00%** | 100.00% |
| | COSCO SHIPPING Ports (Spain) Holding, S.L. | Spain | Spain | Investment holding | 23,147,944 ordinary shares of Euro1 each | **51.00%** | 51.00% |
| | COSCO SHIPPING Ports (Spain) Terminals, S.L.U. | Spain | Spain | Investment holding | 36,250,000 ordinary shares of Euro1 each | **51.00%** | 51.00% |
| 1 | COSCO SHIPPING Ports (Tianjin) Limited | British Virgin Islands | Hong Kong | Investment holding | 10 ordinary share of US$1 each | **80.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports (Vado) Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares and Euro17,000,000 into 17,000,000 ordinary shares | **100.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports (Xiamen) Limited | British Virgin Islands | Hong Kong | Investment holding | 1 ordinary share of US$1 | **100.00%** | 100.00% |
| 1, 2 | COSCO SHIPPING Ports (Yangshan) Limited | British Virgin Islands | British Virgin Islands | Inactive | 1 ordinary share of US$1 each | **100.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports (Yantian) Limited | British Virgin Islands | British Virgin Islands | Investment holding | 50,000 ordinary shares of US$1 each | **100.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports (Yingkou) Limited | British Virgin Islands | Hong Kong | Investment holding | 1 ordinary share of US$1 | **100.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports (Zeebrugge CFS) Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares | **100.00%** | 100.00% |
| 2 | COSCO SHIPPING Ports Chancay PERU S.A. | Peru | Peru | Operation of terminals | 698,520,318 ordinary shares of Sol 1 each | **60.00%** | 60.00% |
| 1 | COSCO SHIPPING Ports Development Co., Limited | Hong Kong | Hong Kong | Investment holding | HK$16,629,102,462 divided into 5,679,542,726 ordinary shares | **100.00%** | 100.00% |

## 41 DETAILS OF SUBSIDIARIES (CONTINUED)

| | Name | Place of incorporation/ establishment | Place of operation | Principal activities | Issued share capital/ paid-up capital | Group effective interest 2024 | 2023 |
|---|---|---|---|---|---|---|---|
| 1 | COSCO SHIPPING Ports Finance (2013) Company Limited | British Virgin Islands | Hong Kong | Financing | 4,600,001 ordinary share of US$1 | **100.00%** | 100.00% |
| 1, 2, 4 | COSCO SHIPPING Ports Finance (2018) Company Limited | British Virgin Islands | British Virgin Islands | Inactive | US$1 divided into 1 ordinary share | **–** | 100.00% |
| 1, 2, 3 | COSCO SHIPPING Ports Investments (Shanghai) Co., Ltd. | PRC | PRC | Investment holding | US$236,000,000 | **100.00%** | 100.00% |
| 1 | COSCO SHIPPING Ports Management Company Limited | Hong Kong | Hong Kong | Investment holding and provision of management services | HK$2 divided into 2 ordinary shares and US$108,800,000 divided into 108,800,000 ordinary shares | **100.00%** | 100.00% |
| 2 | COSCO SHIPPING Ports Supply Chain (Xiamen) Development Co., Ltd. | PRC | PRC | Investment holding | RMB450,933,700 | **56.00%** | 56.00% |
| | CSP Abu Dhabi CFS Limited | Abu Dhabi Free Zone, United Arab Emirates | Abu Dhabi Free Zone, United Arab Emirates | Operation of container freight station | 192,498 ordinary shares of AED1,000 each | **100.00%** | 100.00% |
| | CSP Abu Dhabi Terminal L.L.C. | Abu Dhabi, United Arab Emirates | Abu Dhabi, United Arab Emirates | Operation of terminals | 150,000 ordinary shares of AED1 each | **40.00%** | 40.00% |
| 2 | CSP Guinea Terminal Management SARL | Guinea | Guinea | Provision of management services | 9,300 ordinary shares of GNF1,000,000 each | **100.00%** | 100.00% |
| | CSP Iberian Bilbao Terminal, S.L. | Spain | Spain | Operation of container terminals | 30,694,951 ordinary shares of Euro 0.43 each | **39.51%** | 39.51% |
| | CSP Iberian Rail Services, S.L.U. | Spain | Spain | Provision of rail terminals services | 7,160,000 ordinary shares of Euro1 each | **51.00%** | 51.00% |
| | CSP Iberian Valencia Terminal, S.A.U. | Spain | Spain | Operation of container terminals | 170,912,783 ordinary shares of Euro0.29 each | **51.00%** | 51.00% |
| | CSP Iberian Zaragoza Rail Terminal, S.L. | Spain | Spain | Operation of rail terminals | 3,000 ordinary shares of Euro1 each | **30.60%** | 30.60% |

## 41 DETAILS OF SUBSIDIARIES (CONTINUED)

| | Name | Place of incorporation/ establishment | Place of operation | Principal activities | Issued share capital/ paid-up capital | Group effective interest 2024 | 2023 |
|---|---|---|---|---|---|---|---|
| | CSP Logitren, S.A. | Spain | Spain | Provision of rail services | 22,785 ordinary shares of Euro30 each | **26.02%** | 26.02% |
| | CSP Zeebrugge Terminal NV | Belgium | Belgium | Operation of container terminals | 4,270,001 ordinary shares of Euro10 each | **90.00%** | 90.00% |
| | CSP Zeebrugge CFS NV | Belgium | Belgium | Operation of container freight station | Euro6,962,000 divided into 140,362 ordinary shares | **100.00%** | 100.00% |
| 1 | Golden Chance Investment Enterprises Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares | **100.00%** | – |
| 1 | Golden Creation Development Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares | **100.00%** | 100.00% |
| 1 | Grand Dragon Investment Enterprise Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares and Euro 23,494,537 divided into 1,000 ordinary shares | **100.00%** | 100.00% |
| 2, 3 | Guangzhou South China Oceangate Container Terminal Company Limited | PRC | PRC | Operation of container terminals | RMB1,928,293,400 | **39.00%** | 39.00% |
| 2, 3 | Guangzhou Nansha CSP Supply Chain Co., Ltd. | PRC | PRC | Logistics | RMB200,000,000 | **100.00%** | 100.00% |
| 2, 3 | Jinjiang Pacific Ports Development Co., Ltd. | PRC | PRC | Operation of terminals | US$49,900,000 | **80.00%** | 80.00% |
| 2 | Jinzhou New Age Container Terminal Co., Ltd. | PRC | PRC | Operation of terminals | RMB320,843,634 | **51.00%** | 51.00% |
| 2 | Lianyungang New Oriental International Terminals Co., Ltd. | PRC | PRC | Operation of terminals | RMB470,000,000 | **55.00%** | 55.00% |
| 2 | Longyan International Logistics Co., Ltd. | PRC | PRC | Logistics | RMB10,000,000 | **28.56%** | 28.56% |
| | Maltransinter, S.A.U. | Spain | Spain | Inactive | 14,000 ordinary shares of Euro1,000 each | **51.00%** | 51.00% |
| 2, 3 | Nantong Tonghai Port Co., Ltd. | PRC | PRC | Operation of terminals | RMB790,000,000 | **51.00%** | 51.00% |

## 41 DETAILS OF SUBSIDIARIES (CONTINUED)

| | Name | Place of incorporation/ establishment | Place of operation | Principal activities | Issued share capital/ paid-up capital | Group effective interest 2024 | 2023 |
|---|---|---|---|---|---|---|---|
| 1 | Navigator Investco Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares, and US$80,605,443.36 divided into 1,000 ordinary shares and Euro38,408,291.67 divided into 1,000 ordinary shares | **51.00%** | 51.00% |
| 1 | Nice Grand Development Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares | **100.00%** | 100.00% |
| 1 | Ocean Bridge International Ports Management Company Limited | Hong Kong | Hong Kong | Provision of management and consultancy services | HK$1,000,000 divided into 1,000,000 ordinary shares | **51.00%** | 51.00% |
| 1 | Piraeus Container Terminal Single Member S.A. | Greece | Greece | Operation of container terminals | Euro77,299,800 | **100.00%** | 100.00% |
| 2, 3 | Quan Zhou Pacific Container Terminal Co., Ltd. | PRC | PRC | Operation of terminals | US$80,770,000 | **82.35%** | 82.35% |
| 1 | Sound Joyce Enterprises Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares | **100.00%** | 100.00% |
| | Sagtransinter, S.L.U | Spain | Spain | Inactive | 13,631,405 ordinary shares of Euro1 each | **51.00%** | 51.00% |
| 2, 3 | Shanghai China Shipping Terminal Development Co., Ltd. | PRC | PRC | Investment holding | RMB7,485,600,000 | **100.00%** | 100.00% |
| 1 | Sun Hope investment Enterprise Limited | Hong Kong | Hong Kong | Investment holding | HK$1,000 divided into 1,000 ordinary shares | **100.00%** | – |
| 1, 2 | Taicang Container Terminals Holdings Limited | British Virgin Islands | British Virgin Islands | Inactive | 1 ordinary share of US$1 | **100.00%** | 100.00% |
| 2, 3 | Tianjin Port Container Terminal Co., Ltd. | PRC | PRC | Operation of terminals | RMB2,408,312,700 | **42.00%** | 51.00% |

## 41 DETAILS OF SUBSIDIARIES (CONTINUED)

| | Name | Place of incorporation/ establishment | Place of operation | Principal activities | Issued share capital/ paid-up capital | Group effective interest 2024 | Group effective interest 2023 |
|---|---|---|---|---|---|---|---|
| 2 | Wuhan CSP Terminal Company Limited | PRC | PRC | Operation of terminals | RMB557,715,526 | **84.94%** | 84.94% |
| 2, 3 | Xiamen CSP Supply Chain Co., Limited | PRC | PRC | Logistics | RMB68,000,000 | **100.00%** | 100.00% |
| 2 | Xiamen Haicang Free Trade Port Area Container Inspection Co., Ltd. | PRC | PRC | Container Stevedoring, storage, inspection and auxiliary services | RMB10,000,000 | **61.12%** | 61.12% |
| 2 | Xiamen International Train Co., Ltd. | PRC | PRC | Logistics | RMB6,500,000 | **56.00%** | 56.00% |
| 2 | Xiamen Jiagong Logistics Co., Ltd. | PRC | PRC | Logistics | RMB10,000,000 | **36.40%** | 36.40% |
| 2, 3 | Xiamen Ocean Gate Container Terminal Co., Ltd. | PRC | PRC | Operation of container terminals | RMB1,813,680,000 | **100.00%** | 70.00% |

Notes:

1 Shares held directly by the Company.

2 Subsidiaries not audited by PricewaterhouseCoopers.

3 China Shipping Terminal Development Co., Limited, COSCO SHIPPING Ports Investments (Shanghai) Co., Ltd., Shanghai China Shipping Terminal Development Co., Ltd., Guangzhou Nansha CSP Supply Chain Co., Ltd., Xiamen Ocean Gate Container Terminal Co., Ltd. and Xiamen CSP Supply Chain Co. Ltd. are wholly foreign owned enterprises. Guangzhou South China Oceangate Container Terminal Company Limited, Jinjiang Pacific Ports Development Co., Ltd., Quan Zhou Pacific Container Terminal Co., Ltd., Tianjin Port Container Terminal Co., Ltd. and Nantong Tonghai Port Co., Ltd. are sino-foreign equity joint ventures established in the PRC.

4 The subsidiary was dissolved during the year.

## 42 DETAILS OF JOINT VENTURES

Details of the principal joint ventures as at 31 December 2024, which principally affect the results and/or net assets of the Group, are as follows:

| Name | Place of incorporation/ establishment | Principal activities | Paid-up capital | Percentage of interest in ownership/voting power/profit sharing 2024 | 2023 |
|---|---|---|---|---|---|
| Asia Container Terminals Holdings Limited | Cayman Islands | Investment holding | HK$1,000 divided into 1,000 ordinary shares | **20.00%** | 20.00% |
| Conte-Rail, S.A. | Spain | Operation of rail terminals | 45,000 ordinary shares of Euro34.3 each | **25.50%** | 25.50% |
| COSCO-HIT Terminals (Hong Kong) Limited | Hong Kong | Operation of container terminals | HK$20 divided into 2 "A" ordinary shares<br>HK$20 divided into 2 "B" ordinary shares<br>HK$40 divided into 4 non-voting 5% deferred shares | **50.00%** | 50.00% |
| COSCO-HPHT ACT Limited (note i) | British Virgin Islands | Investment holding | 1,000 ordinary shares of US$1 each | **50.00%** | 50.00% |
| COSCO-PSA Terminal Private Limited | Singapore | Operation of container terminals | SGD286,213,000 | **49.00%/ 50.00%/ 49.00%** | 49.00%/ 50.00%/ 49.00% |
| Dalian Dagang Container Terminal Co., Ltd | PRC | Operation of container terminals | RMB7,500,000 | **35.00%** | 35.00% |
| Euro-Asia Oceangate S.à.r.l. (note ii) | Luxembourg | Investment holding | US$40,000 | **40.00%** | 40.00% |
| Lianyungang Port Railway International Container Multimodal Transport Co., Ltd. | PRC | Logistics | RMB3,400,000 | **30.00%** | 30.00% |
| Nansha Stevedoring Corporation Limited of Port of Guangzhou | PRC | Operation of container terminals | RMB1,260,000,000 | **40.00%** | 40.00% |
| Ningbo Yuan Dong Terminals Limited | PRC | Operation of container terminals | RMB2,500,000,000 | **20.00%** | 20.00% |
| Piraeus Consolidation and Distribution Centre S.A. | Greece | Storage, consolidation and distribution | Euro1,000,000 | **50.00%/ 60.00%** | 50.00%/ 60.00% |
| Qingdao Port Dongjiakou Ore Terminal Co., Ltd. | PRC | Operation of iron ore terminal | RMB2,000,000,000 | **25.00%/ 22.22%/ 25.00%** | 25.00%/ 22.22%/ 25.00% |
| Red Sea Container Terminals Overseas Limited (iii) | England and Wales | Investment holding | 35,000,000 ordinary shares of US$1 each | **25.00%** | – |
| Shanghai Pudong International Container Terminals Limited | PRC | Operation of container terminals | RMB1,900,000,000 | **30.00%** | 30.00% |

## 42 DETAILS OF JOINT VENTURES (CONTINUED)

| Name | Place of incorporation/ establishment | Principal activities | Paid-up capital | Percentage of interest in ownership/voting power/profit sharing 2024 | 2023 |
|---|---|---|---|---|---|
| Yingkou Container Terminals Company Limited | PRC | Operation of container terminals | RMB8,000,000 | **50.00%/ 57.14%/ 50.00%** | 50.00%/ 57.14%/ 50.00% |
| Yingkou New Century Container Terminal Co., Ltd. | PRC | Operation of container terminals | RMB40,000,000 | **40.00%** | 40.00% |

Notes:

(i) COSCO-HPHT ACT Limited effectively holds 80% equity interest in Asia Container Terminal Limited, which engages in the operation, management and development of container terminals in Hong Kong, and is considered as a subsidiary of COSCO-HPHT ACT Limited.

(ii) Euro-Asia Oceangate S.à.r.l. effectively holds 65% equity interest in Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret A.Ş., which engages in container terminal operations in Turkey, and is considered as a subsidiary of Euro-Asia Oceangate S.à.r.l.

(iii) Red Sea Container Terminals Overseas Limited effectively holds 100% equity interest in Red Sea Container Terminals S.A.E., which engages in container terminal operations in Egypt, and is considered as a subsidiary of Red Sea Container Terminals Overseas Limited.

## 43 DETAILS OF ASSOCIATES

Details of the associates as at 31 December 2024, which principally affect the results and/or net assets of the Group, are as follows:

| Name | Place of establishment operation | Principal activities | Issued share capital/ registered capital | Group effective interest 2024 | 2023 |
|---|---|---|---|---|---|
| Antwerp Gateway NV | Belgium | Operation of container terminals | Euro17,900,000 | **20.00%** | 20.00% |
| APM Terminals Vado Holdings B.V. (note i) | Netherlands | Investment holding | 10 ordinary shares of Euro100 each | **40.00%** | 40.00% |
| Beibu Gulf Port Co., Ltd. | PRC | Operation of terminals | RMB2,277,553,199 | **9.86%** | 9.82% |
| COSCO Shipping Terminals (USA) LLC | USA | Investment holding | US$200,000 | **40.00%** | 40.00% |
| Dalian Automobile Terminal Co., Ltd. | PRC | Construction and operation of automobile terminals | RMB400,000,000 | **24.00%** | 24.00% |
| Dalian Container Terminal Co., Ltd. | PRC | Operation of container terminals | RMB3,480,000,000 | **19.00%** | 19.00% |
| Damietta International Port Company S.A.E | Egypt | Operation of container terminals | 20,000,000 ordinary shares of US$10 each | **20.00%** | 20.00% |
| Dawning View Limited | British Virgin Islands | Investment holding | 200 "A" shares of US$1 each and 800 "B" shares of US$1 each | **20.00%** | 20.00% |

## 43 DETAILS OF ASSOCIATES (CONTINUED)

| Name | Place of establishment operation | Principal activities | Issued share capital/ registered capital | Group effective interest 2024 | Group effective interest 2023 |
|---|---|---|---|---|---|
| Euromax Terminal Rotterdam B.V. | Netherlands | Operation of container terminals | 65,000 "A" shares of Euro1 each, 35,000 "B" shares of Euro1 each and 25,000 "C" shares of Euro1 each | **14.28%** | 17.85% |
| Fangchenggang Chisha Terminal Co., Limited | PRC | Operation of container terminals | RMB910,000,000 | **20.00%** | 20.00% |
| Global Shipping Business Network Limited | Hong Kong | Business Network Services | US$8,000,000 divided into 8,000,000 ordinary shares | **12.50%** | 12.50% |
| Guangxi Beibu Gulf International Container Terminal Co., Ltd | PRC | Operation of container terminals | RMB2,371,600,000 | **26.00%** | 26.00% |
| HHLA Container Terminal Tollerort GmbH | Germany | Operation of container terminals | 7,700,000 ordinary shares of Euro1 each | **24.99%** | 24.99% |
| Kao Ming Container Terminal Corp. | Taiwan | Operation of container terminals | TWD6,800,000,000 | **20.00%** | 20.00% |
| Lianyungang Xinsanly Container Service Co., Ltd | PRC | Container inspection and auxiliary services | RMB1,000,000 | **22.00%** | 22.00% |
| Nezha Smart Technology (Shanghai) Co., Ltd (formerly known as Nezha Smart Port of Shipping Technology (Shanghai) Co. Ltd) | PRC | Operation of technology | RMB94,861,008 | **15.00%** | – |
| Qingdao Port International Co., Ltd | PRC | Operation of container terminals | RMB6,491,100,000 | **20.06%** | 19.79% |
| Qinhuangdao Port New Harbour Container Terminal Co., Ltd. | PRC | Operation of container terminals | RMB400,000,000 | **30.00%** | 30.00% |
| Red Sea Gateway Terminal Company Limited | Kingdom of Saudi Arabia | Operation of container terminals | SAR555,207,000 | **20.00%** | 20.00% |
| Servicios Intermodales Bilbaoport, S.L. | Spain | Container storage and transportation | 852,236 ordinary shares of Euro0.407 each | **5.53%** | 5.53% |
| Shanghai Mingdong Container Terminals Limited | PRC | Operation of container terminals | RMB4,000,000,000 | **20.00%** | 20.00% |
| Success Enterprises Limited | British Virgin Islands | Investment holding | 2,005 "A" shares of US$1 each and 8,424 "B" shares of US$1 each | **16.49%** | 16.49% |
| Suez Canal Container Terminal S.A.E. | Egypt | Operation of container terminals | 1,856,250 ordinary shares of US$100 each | **20.00%** | 20.00% |

## 43 DETAILS OF ASSOCIATES (CONTINUED)

| Name | Place of establishment operation | Principal activities | Issued share capital/ registered capital | Group effective interest 2024 | 2023 |
|---|---|---|---|---|---|
| Taicang International Container Terminal Co., Ltd. | PRC | Operation of container terminals | RMB450,800,000 | **39.04%** | 39.04% |
| Tianjin Shengang Container Technological Development Service Co. Ltd | PRC | Container handling | RMB3,000,000 | **16.83%** | 16.83% |
| Wattrus Limited | British Virgin Islands | Investment holding | 32 "A" shares of US$1 each and 593 "B" shares of US$1 each | **5.12%** | 5.12% |
| Xiamen CCIC Haitou Vehicle Inspection Services Co., Ltd. | PRC | Provision of vehicle inspection services | RMB3,000,000 | **19.32%** | 19.32% |
| Xiamen Haitou Logistics Co., Ltd. | PRC | Logistics | RMB50,000,000 | **22.40%** | 22.40% |
| Xiamen VX Haitou Cold Chain Logitics CO., Ltd. | PRC | Logistics | RMB205,000,000 | **19.60%** | 19.60% |

Note:

(i) APM Terminals Vado Holdings B.V. holds 100% equity interest in Reefer Terminal S.p.A. and Vado Gateway S.p.A, which engages in container terminal operations, and are considered as subsidiaries of APM Terminals Vado Holdings B.V..

# FIVE-YEAR FINANCIAL SUMMARY

| | For the year ended 31 December | | | | |
|---|---|---|---|---|---|
| | **2024** | 2023 | 2022 (Restated) | 2021 | 2020 |
| | **US$'000** | US$'000 | US$'000 | US$'000 | US$'000 |
| Revenues | **1,502,989** | 1,454,353 | 1,441,273 | 1,208,252 | 1,000,629 |
| Operating profit after finance income and costs | **143,875** | 131,625 | 152,085 | 171,075 | 135,857 |
| Share of profits less losses of | | | | | |
| – joint ventures | **57,173** | 61,805 | 75,078 | 83,195 | 78,219 |
| – associates | **262,942** | 236,056 | 232,946 | 246,195 | 194,501 |
| Profit before taxation | **463,990** | 429,486 | 460,109 | 500,465 | 408,577 |
| Taxation | **(73,057)** | (35,206) | (69,365) | (94,669) | (34,967) |
| Profit for the year | **390,933** | 394,280 | 390,744 | 405,796 | 373,610 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | **308,816** | 324,557 | 306,633 | 354,652 | 347,474 |
| Non-controlling interests | **82,117** | 69,723 | 84,111 | 51,144 | 26,136 |
| | **390,933** | 394,280 | 390,744 | 405,796 | 373,610 |
| Dividends | **126,496** | 131,898 | 123,742 | 141,895 | 141,928 |
| Basic earnings per share (US cents) | **8.50** | 9.33 | 9.12 | 10.70 | 10.81 |
| Dividend per share (US cents) | **3.400** | 3.732 | 3.632 | 4.280 | 4.324 |

| | As at 31 December | | | | |
|---|---|---|---|---|---|
| | **2024** | 2023 | 2022 (Restated) | 2021 (Restated) | 2020 |
| | **US$'000** | US$'000 | US$'000 | US$'000 | US$'000 |
| Total assets | **12,021,386** | 11,931,881 | 11,326,353 | 12,047,822 | 11,224,345 |
| Total liabilities | **(4,976,139)** | (5,089,356) | (4,687,180) | (5,092,658) | (4,847,119) |
| Net assets | **7,045,247** | 6,842,525 | 6,639,173 | 6,955,164 | 6,377,226 |

Notes:

1 The consolidated results of the Group for the two years ended 31 December 2024 and the assets and liabilities of the Group as at 31 December 2024 have been extracted from the audited consolidated financial statements of the Group as set out on pages 120 to 127 of the annual report.

2 The Company was incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended) on 26 July 1994.

# HISTORICAL STATISTICS SUMMARY

| Financial statistics | | 2015 (Restated) | 2016 | 2017 |
|---|---|---|---|---|
| **Consolidated income statement** | US$M | | | |
| Revenue | | | | |
| Terminals | | 547.3 | 553.9 | 634.7 |
| Container handling, transportation and storage | | 2.9 | 2.5 | – |
| Total | | 550.2 | 556.4 | 634.7 |
| EBITDA | | 463.6 | 393.4 | 796.0 |
| Depreciation & amortisation | | (98.0) | (98.5) | (106.8) |
| EBIT | | 365.6 | 294.9 | 689.2 |
| Interest expenses | | (54.7) | (52.1) | (56.0) |
| Interest income | | 22.2 | 14.8 | 12.7 |
| Profit before taxation | | 333.1 | 257.6 | 645.9 |
| Operating profit after finance income and costs | | 112.0 | 57.4 | 409.3 |
| Profit attributable to equity holders of the Company | | 429.3 | 247.0 | 512.5 |
| Breakdown of profit attributable to equity holders of the Company | | | | |
| Terminals and related businesses | | 286.6 | 242.9 | 573.3 |
| Container leasing, management, sale and related businesses | | 82.8 | 66.1 | – |
| Container manufacturing and related businesses | | 79.2 | – | – |
| Net corporate finance income/(costs) | | 27.7 | 8.0 | 2.8 |
| Net corporate expenses | | (47.0) | (70.0) | (63.6) |
| Total | | 429.3 | 247.0 | 512.5 |
| **Consolidated balance sheet** | | | | |
| Consolidated total assets | | 8,860.6 | 6,786.5 | 8,954.1 |
| Consolidated total liabilities | | 2,593.5 | 2,020.7 | 3,108.7 |
| Consolidated net assets | | 6,267.1 | 4,765.8 | 5,845.4 |
| Consolidated total debts | | 2,087.0 | 1,503.0 | 2,334.3 |
| Consolidated cash balances | | 924.2 | 837.1 | 566.4 |
| Consolidated net debts | | 1,162.8 | 665.9 | 1,767.9 |
| **Per share data** | | | | |
| Capital and reserves attributable to the equity holders of the Company per share | US$ | 1.97 | 1.44 | 1.70 |
| Basic earnings per share | US cents | 14.58 | 8.30 | 16.93 |
| Dividend per share | US cents | 5.148 | 13.637[note 1] | 3.000 |
| Net asset value per share | US$ | 2.11 | 1.58 | 1.91 |
| Net asset value per share | HK$ | 16.373 | 12.254 | 14.879 |
| Share price (as at 31 December) | US$ | 1.102 | 1.005 | 1.0448 |
| Share price (as at 31 December) | HK$ | 8.54 | 7.79 | 8.13 |
| **Ratios** | | | | |
| P/E (as at 31 December) | Times | 7.6 | 12.1 | 6.17 |
| Dividend payout ratio | % | 40.0 | 40.0[note 2] | 40.0[note 3] |
| Return on total assets | % | 5.2 | 3.2 | 6.5 |
| Return on net assets | % | 8.0 | 5.0 | 10.4 |
| Return on equity holders of the Company | % | 8.1 | 4.8 | 10.7 |
| Net debt-to-equity ratio | % | 18.6 | 14.0 | 30.2 |
| Interest coverage (excluding finance charges relating to lease liabilities) | Times | 7.1 | 5.9 | 12.5 |
| **Other information** | | | | |
| Total number of shares issued (as at 31 December) | M | 2,966.6 | 3,016.0 | 3,057.1 |
| Weighted average number of ordinary shares issued | M | 2,945.4 | 2,976.4 | 3,027.4 |
| Market capitalisation (as at 31 December) | US$M | 3,268.9 | 3,029.6 | 3,194.0 |

Notes:
1 The amount in 2016 included a conditional special cash dividend of HK80.0 cents (equivalent to US10.317 cents) per share.
2 The conditional special cash dividend of HK80.0 cents (equivalent to US10.317 cents) per share was excluded in the calculation of dividend payout ratio of the year 2016.
3 One-off exceptional items related to the completion of the subscription of non-circulating domestic shares in QPI and the disposal of equity interests in Qingdao Qianwan Container Terminal Co., Ltd. was excluded in the calculation of dividend payout ratio of the year 2017.
4 The consolidated balance sheet and related financial data of 2021 were restated.

| | 2018 | 2019 | 2020 | 2021[note 4] | 2022 (Restated) | 2023 | **2024** |
|---|---|---|---|---|---|---|---|
| | 1,000.4 | 1,027.7 | 1,000.6 | 1,208.3 | 1,441.3 | 1,454.4 | **1,503.0** |
| | – | – | – | – | – | – | **–** |
| | 1,000.4 | 1,027.7 | 1,000.6 | 1,208.3 | 1,441.3 | 1,454.4 | **1,503.0** |
| | 652.8 | 670.1 | 708.9 | 826.8 | 818.5 | 824.2 | **842.7** |
| | (147.1) | (190.1) | (200.4) | (226.1) | (249.1) | (251.5) | **(255.5)** |
| | 505.7 | 480.0 | 508.5 | 600.7 | 569.4 | 572.7 | **587.2** |
| | (78.0) | (108.9) | (114.6) | (111.5) | (126.4) | (171.2) | **(152.4)** |
| | 12.3 | 12.4 | 14.7 | 11.3 | 17.1 | 28.0 | **29.2** |
| | 440.0 | 383.5 | 408.6 | 500.5 | 460.1 | 429.5 | **464.0** |
| | 147.5 | 116.1 | 135.9 | 171.1 | 152.1 | 131.6 | **143.9** |
| | 324.6 | 308.0 | 347.5 | 354.7 | 306.6 | 324.6 | **308.8** |
| | 364.0 | 354.0 | 387.9 | 449.5 | 437.9 | 431.6 | **438.6** |
| | – | – | – | – | – | – | **–** |
| | – | – | – | – | – | – | **–** |
| | (10.4) | (14.7) | (13.8) | (18.3) | (29.1) | (54.1) | **(35.0)** |
| | (29.0) | (31.3) | (26.6) | (76.5) | (102.2) | (52.9) | **(94.8)** |
| | 324.6 | 308.0 | 347.5 | 354.7 | 306.6 | 324.6 | **308.8** |
| | 9,045.5 | 10,476.5 | 11,224.3 | 12,047.8 | 11,326.4 | 11,931.9 | **12,021.4** |
| | 3,225.8 | 4,711.3 | 4,847.1 | 5,092.7 | 4,687.2 | 5,089.4 | **4,976.2** |
| | 5,819.7 | 5,765.2 | 6,377.2 | 6,955.1 | 6,639.2 | 6,842.5 | **7,045.2** |
| | 2,479.9 | 2,916.5 | 3,047.7 | 3,219.6 | 2,908.6 | 3,234.6 | **3,114.5** |
| | 606.7 | 957.5 | 1,341.5 | 1,260.1 | 1,115.2 | 1,208.0 | **1,029.2** |
| | 1,873.2 | 1,959.0 | 1,706.2 | 1,959.5 | 1,793.4 | 2,026.6 | **2,085.3** |
| | 1.66 | 1.58 | 1.67 | 1.76 | 1.61 | 1.62 | **1.58** |
| | 10.58 | 9.82 | 10.81 | 10.70 | 9.12 | 9.33 | **8.50** |
| | 4.232 | 3.928 | 4.324 | 4.280 | 3.632 | 3.732 | **3.400** |
| | 1.87 | 1.82 | 1.92 | 2.10 | 1.93 | 1.92 | **1.87** |
| | 14.643 | 14.200 | 14.913 | 16.360 | 15.045 | 15.007 | **14.540** |
| | 0.9830 | 0.8192 | 0.6953 | 0.8682 | 0.7952 | 0.7216 | **0.5926** |
| | 7.70 | 6.38 | 5.39 | 6.77 | 6.20 | 5.64 | **4.60** |
| | 9.29 | 8.34 | 6.43 | 8.12 | 8.72 | 7.73 | **6.97** |
| | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | **40.0** |
| | 3.6 | 3.2 | 3.2 | 3.0 | 2.6 | 2.8 | **2.6** |
| | 6.4 | 6.0 | 6.2 | 6.1 | 5.7 | 5.8 | **5.6** |
| | 6.3 | 6.1 | 6.6 | 6.2 | 5.4 | 5.7 | **5.3** |
| | 32.2 | 34.0 | 26.8 | 28.2 | 27.0 | 29.6 | **29.6** |
| | 6.6 | 5.3 | 5.8 | 7.2 | 5.9 | 4.2 | **5.0** |
| | 3,113.1 | 3,162.0 | 3,315.3 | 3,315.3 | 3,440.7 | 3,563.6 | **3,761.4** |
| | 3,067.5 | 3,135.1 | 3,213.5 | 3,315.3 | 3,362.0 | 3,479.0 | **3,631.2** |
| | 3,060.3 | 2,590.4 | 2,305.0 | 2,878.2 | 2,736.0 | 2,571.6 | **2,229.0** |

| Operational statistics | | 2015 (Restated) | 2016 | 2017 |
|---|---|---|---|---|
| **Container throughput** | TEU | | | |
| COSCO-HIT Terminal | | 1,575,858 | 1,343,859 | 1,920,597 |
| Yantian Terminal | | 12,165,687 | 11,696,492 | 12,703,733 |
| Zhangjiagang Win Hanverky Terminal | | 672,295 | 675,062 | 735,918 |
| Shanghai Pudong Terminal | | 2,508,121 | 2,556,220 | 2,650,396 |
| Qingdao Qianwan Terminal | | 16,995,934 | 17,499,703 | – |
| COSCO-PSA Terminal | | 1,526,328 | 1,809,428 | 2,044,536 |
| Yangzhou Yuanyang Terminal | | 482,106 | 454,104 | 489,108 |
| Yingkou Container Terminal | | 1,560,138 | 1,586,108 | 1,496,050 |
| Nanjing Longtan Terminal | | 2,633,753 | 2,773,005 | 2,881,008 |
| Dalian Port Terminal | | 2,495,053 | 2,683,879 | 2,604,631 |
| Tianjin Five Continents Terminal | | 2,570,233 | 2,571,772 | 2,580,943 |
| Antwerp Terminal | | 2,015,306 | 1,922,281 | 2,166,096 |
| Quan Zhou Pacific Terminal | | 1,221,692 | 1,308,652 | 1,384,479 |
| Guangzhou South China Oceangate Terminal | | 4,486,627 | 4,781,665 | 5,056,257 |
| Ningbo Yuan Dong Terminal | | 3,040,762 | 2,536,182 | 2,980,839 |
| Suez Canal Terminal | | 2,954,080 | 2,547,597 | 2,528,647 |
| Jinjiang Pacific Terminal | | 347,226 | 364,255 | 495,993 |
| Piraeus Terminal | | 3,034,428 | 3,470,981 | 3,691,815 |
| Tianjin Euroasia Terminal | | 2,032,389 | 2,232,973 | 2,469,753 |
| Xiamen Ocean Gate Terminal | | 1,034,753 | 1,131,197 | 1,501,001 |
| Kao Ming Terminal | | 1,525,359 | 1,728,922 | 1,698,187 |
| Taicang Terminal | | 539,771 | 513,296 | 520,799 |
| Asia Container Terminal | | 1,252,815 | 1,088,891 | 1,568,298 |
| Dalian International Terminal | | 2,826,893 | 3,182,368 | 2,828,933 |
| Dalian Dagang Terminal | | 15,971 | 21,094 | 24,582 |
| Yingkou New Century Terminal | | 1,850,064 | 1,870,076 | 1,515,057 |
| Jinzhou New Age Terminal | | 351,773 | 449,016 | 571,113 |
| Qinhuangdao New Harbour Terminal | | 500,879 | 515,482 | 559,330 |
| Shanghai Mingdong Terminal | | 5,668,946 | 5,900,056 | 6,500,062 |
| Lianyungang New Oriental Terminal | | 3,525,770 | 3,100,243 | 2,872,563 |
| Guangzhou Nansha Stevedoring Terminal | | 5,757,635 | 5,786,311 | 5,800,302 |
| Qinzhou International Terminal | | 920,737 | 1,138,057 | 1,357,005 |
| CSP Zeebrugge Terminal | | 268,261 | 277,363 | 316,448 |
| Seattle Terminal | | 128,332 | 151,534 | 188,455 |
| Busan Terminal | | – | 2,084,592 | 3,554,512 |
| Kumport Terminal | | – | 665,398 | 1,063,335 |
| Euromax Terminal | | – | 653,808 | 2,693,337 |
| CSP Spain Related Companies | | – | – | 554,028 |
| Vado Reefer Terminal | | – | – | 39,455 |
| QPI | | – | – | 12,270,000 |
| Dalian Container Terminal | | – | – | 1,324,584 |
| Tianjin Container Terminal | | – | – | – |
| Nantong Tonghai Terminal | | – | – | – |
| CSP Abu Dhabi Terminal | | – | – | – |
| Beibu Gulf Terminal | | – | – | – |
| Beibu Gulf Port | | – | – | – |
| Red Sea Gateway Terminal | | – | – | – |
| Vado Container Terminal | | – | – | – |
| CSP Wuhan Terminal | | – | – | – |
| CTT | | – | – | – |
| CSP Chancay Terminal | | – | – | – |
| Total | | 90,485,975 | 95,071,922 | 100,202,185 |

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | **2024** |
|---|---|---|---|---|---|---|
| 1,794,152 | 1,688,454 | 1,699,256 | 1,442,221 | 1,292,411 | 1,148,991 | **1,004,028** |
| 13,159,705 | 13,069,120 | 13,348,546 | 14,161,034 | 13,572,909 | 14,045,087 | **15,038,500** |
| 761,849 | 657,849 | 48,008 | – | – | – | **–** |
| 2,602,151 | 2,550,390 | 2,443,406 | 2,600,511 | 2,600,529 | 2,610,086 | **2,650,079** |
| – | – | – | – | – | – | **–** |
| 3,198,874 | 5,011,091 | 5,090,751 | 4,727,146 | 5,129,902 | 5,330,470 | **5,106,695** |
| 500,340 | 500,599 | 31,841 | – | – | – | **–** |
| 1,338,535 | 1,200,159 | 1,258,502 | 1,129,894 | 1,015,038 | 1,140,161 | **1,141,436** |
| 2,930,391 | 3,000,506 | – | – | – | – | **–** |
| – | – | – | – | – | – | **–** |
| 2,708,817 | 1,906,220 | – | – | – | – | **–** |
| 2,230,418 | 2,109,308 | 2,270,425 | 2,202,433 | 2,107,791 | 2,003,613 | **2,274,074** |
| 1,559,899 | 1,588,589 | 1,332,207 | 1,255,347 | 1,340,389 | 1,311,018 | **1,493,330** |
| 5,164,923 | 5,624,830 | 5,753,628 | 5,902,426 | 5,747,136 | 5,761,204 | **5,582,825** |
| 3,060,010 | 3,010,164 | 3,103,386 | 3,040,534 | 3,053,395 | 3,143,607 | **3,261,550** |
| 2,609,978 | 3,161,084 | 3,783,388 | 3,648,393 | 3,785,317 | 3,982,874 | **3,941,529** |
| 425,533 | 498,846 | 443,748 | 323,043 | 262,683 | 222,405 | **200,418** |
| 4,409,205 | 5,158,626 | 4,896,886 | 4,696,265 | 4,352,059 | 4,586,535 | **4,228,474** |
| 2,717,331 | 2,860,127 | 3,060,267 | 3,197,096 | – | – | **–** |
| 1,968,613 | 2,061,341 | 2,070,159 | 2,541,035 | 2,741,179 | 2,748,313 | **2,574,593** |
| 1,745,673 | 1,635,045 | 1,599,548 | 2,030,360 | 2,047,877 | 1,669,720 | **1,733,896** |
| 561,212 | 403,307 | 400,095 | 488,186 | 220,348 | 266,555 | **258,614** |
| 1,465,047 | 1,378,737 | 1,387,558 | 1,630,901 | 1,434,377 | 1,175,581 | **1,099,290** |
| – | – | – | – | – | – | **–** |
| 22,047 | 22,006 | 21,003 | 20,300 | 24,415 | 23,202 | **22,438** |
| 1,413,894 | 1,180,410 | 1,342,018 | 1,174,719 | 1,056,240 | 1,090,663 | **1,188,899** |
| 710,746 | 770,037 | 722,981 | 735,208 | 717,056 | 640,486 | **765,736** |
| 584,701 | 617,257 | 621,862 | 641,336 | 629,896 | 545,193 | **539,314** |
| 6,252,083 | 6,160,365 | 6,246,932 | 6,845,534 | 5,477,740 | 6,054,308 | **7,002,772** |
| 2,876,355 | 2,819,448 | 1,089,116 | 1,009,674 | 945,448 | 1,008,171 | **1,131,265** |
| 5,805,069 | 5,708,189 | 5,709,482 | 5,705,106 | 5,770,194 | 5,801,276 | **6,031,704** |
| 1,371,051 | 1,638,621 | 1,599,524 | – | – | – | **–** |
| 392,484 | 483,601 | 609,277 | 931,447 | 1,070,762 | 432,843 | **671,989** |
| 167,824 | 204,068 | 248,370 | 292,473 | 277,626 | 145,024 | **143,447** |
| 3,758,277 | 3,765,904 | 3,759,210 | 3,809,888 | 3,704,778 | 3,881,749 | **4,305,526** |
| 1,258,294 | 1,281,850 | 1,217,240 | 1,248,131 | 1,208,865 | 1,316,724 | **1,257,305** |
| 3,054,115 | 2,792,987 | 2,454,617 | 2,658,175 | 2,644,039 | 2,482,846 | **2,306,954** |
| 3,622,200 | 3,585,276 | 3,387,820 | 3,621,188 | 3,430,787 | 3,143,154 | **3,669,929** |
| 66,565 | 54,430 | 60,256 | 67,252 | 64,852 | 60,584 | **61,517** |
| 19,320,000 | 21,010,000 | 22,010,000 | 23,710,000 | 26,820,000 | 30,020,000 | **32,170,000** |
| 9,512,744 | 8,525,291 | 4,981,782 | 3,584,187 | 4,377,050 | 4,906,861 | **5,277,625** |
| – | 2,568,105 | 7,866,145 | 8,642,445 | 8,481,293 | 8,223,425 | **8,444,765** |
| 264,255 | 1,135,840 | 1,405,658 | 1,452,334 | 1,623,027 | 1,328,201 | **1,934,295** |
| – | 386,258 | 665,500 | 697,236 | 1,018,668 | 1,353,215 | **1,844,898** |
| – | – | 421,875 | – | – | – | **–** |
| – | – | 3,362,302 | 6,011,800 | 7,021,000 | 8,022,100 | **9,015,200** |
| – | – | – | 1,354,374 | 2,751,157 | 3,181,901 | **3,035,574** |
| – | – | – | 56,743 | 222,372 | 298,329 | **319,201** |
| – | – | – | – | 66,469 | 158,596 | **245,627** |
| – | – | – | – | – | 543,483 | **1,050,743** |
| – | – | – | – | – | – | **6,668** |
| 117,365,360 | 123,784,335 | 123,824,575 | 129,286,375 | 130,107,074 | 135,808,554 | **144,032,722** |

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. ZHU Tao[1] *(Chairman and Managing Director)*
Mr. MA Xianghui[2]
Mr. CHEN Shuai[2]
Dr. FAN HSU Lai Tai, Rita[3]
Mr. Adrian David LI Man Kiu[3]
Mr. LAM Yiu Kin[3]
Prof. CHAN Ka Lok[3]
Mr. YANG Liang Yee Philip[3]

1 Executive Director
2 Non-executive Director
3 Independent Non-executive Director

## GENERAL COUNSEL, BOARD SECRETARY, CHIEF COMPLIANCE OFFICER

Ms. HUNG Man, Michelle

## PLACE OF INCORPORATION

Bermuda

## REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

49th Floor, COSCO Tower
183 Queen's Road Central
Hong Kong
Telephone: +852 2809 8188
Fax: +852 2907 6088
Website: https://ports.coscoshipping.com

## INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered PIE Auditor
22nd Floor
Prince's Building
Hong Kong

## SOLICITORS

Holman Fenwick Willan
Linklaters
Woo, Kwan, Lee & Lo

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications (Hong Kong) Limited
China Construction Bank Corporation
China Development Bank
DBS Bank Ltd

## PRINCIPAL REGISTRAR AND TRANSFER OFFICE IN BERMUDA

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

## BRANCH REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

## LISTING INFORMATION/STOCK CODE

The Stock Exchange of Hong Kong Limited: 1199
Bloomberg: 1199HK
Reuters: 1199.HK

The Ports for ALL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(Incorporated in Bermuda with limited liability)

49th Floor, COSCO Tower
183 Queen's Road Central
Hong Kong

Stock Code: 1199

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Facsimile : +852 2907 6088
Email : ir.csp@coscoshipping.com
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