



COSCO SHIPPING Ports Limited 中遠海運港口有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1199)

DIVIDEND POLICY

Purpose

The Board of Directors of the COSCO SHIPPING Ports Limited at its Meeting held on 29 October 2018 has adopted the Policy which endeavours for fairness, consistency and sustainability while distributing profits to the shareholders.

Objective

The Policy defines the conditions for paying a dividend. The Board of Directors will recommend any annual dividend based on this Policy as well as any specific financial or market conditions prevailing at the time. The intention of the Policy is to set out the broad criteria to be considered when determining what dividend to declare or not declare to the shareholders of the Company.

The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

Frequency

Dividends will generally be declared twice a year after the announcement of interim and full year results but before the Annual General Meeting. In years of exceptional gains or other events a special dividend may be declared.

Internal and External Factors

When determining the interim/annual dividend, the company will consider, amongst other matters:

- The level of dividends paid historically
- Actual results for the year and the outlook for business operations
- Providing for anticipated capital expenditures or acquisitions, to further enhance shareholder value or meet strategic objectives
- Setting aside cash to meet debt repayments
- Retaining earnings to provide for contingencies or unforeseeable events

- The overall economic environment
- Changes in the cost and availability of external financing
- Changes in government policy, industry rulings and regulatory provisions

Financial Parameters

- As in the past, the Company's dividend pay-out will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return.
- **Based on the above, the Company will endeavour to maintain the stable dividend payout over the medium term.**

Utilization of retained earnings

- Capital expenditure
- Organic/Inorganic growth
- General corporate purposes, including contingencies
- Investments in the new/existing business

Disclosure

The Board of Directors will review the policy annually. Any revisions in the Policy will be communicated to shareholders in a timely manner. The Policy shall be disclosed in the Annual report and on the website of the Company i.e. <https://ports.coscoshipping.com/en/>.

Disclaimer

The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.