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 130 to 238, comprise:

- the consolidated balance sheet as at 31 December 2022;
- 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, which include significant accounting policies 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 2022, 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 Refer to notes 3.8, 5(a), 7, 9, 10, 11 and 12 to the consolidated financial statements. The Group is involved in terminals operation through subsidiaries, investments in joint ventures and associates in Hong Kong, Mainland China, Europe and other regions. As at 31 December 2022, there were terminal assets with a total carrying value of property, plant and equipment of US$3,837 million, right-of-use assets of US$1,017 million, intangible assets of US$385 million, investments in joint ventures with a total carrying amount of US$1,036 million, and investments in associates with a total carrying amount of US$3,262 million. 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: • 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; • evaluated the Group's assessment as to whether any impairment indications exists in respect of the terminal assets, investments in joint ventures and associates; • evaluated the appropriateness of the value-in-use model adopted for the impairment assessments; • evaluated the outcome of prior period assessment of management's forecast to assess the effectiveness of management's estimation process; • 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. Management has concluded that there was no impairment in respect of the terminal assets, investments in joint ventures and associates as at 31 December 2022. 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 in the impairment assessments applied by management and benchmarked the discount rates applied to other comparable companies in the same industry, where applicable; • agreed input data to supporting evidence, such as approved budgets, inflation rates, strategic plans and market data, where applicable; • 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 • assessed the adequacy of the disclosures related to impairment of terminal assets, investments in joint ventures and associates in the context of the applicable financial reporting framework. 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 Refer to notes 3.7(a), 5(b) and 10 to the consolidated financial statements. As at 31 December 2022, the Group had a balance of goodwill of US$165 million. 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 calculations. The value-in-use 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. We focused on this area as the assessment 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: • 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; • evaluated the appropriateness of the value-in-use model adopted for the impairment assessments; • evaluated the outcome of prior period assessment of management's forecast to assess the effectiveness of management's estimation process; • 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; • involved our internal valuation experts to evaluate the valuation methodologies and assess the reasonableness of the discount rates in the impairment assessment applied by management and benchmarked the discount rates applied to other comparable companies in the same industry, where applicable; • agreed input data to supporting evidence, such as approved budgets, inflation rates, strategic plans and market data, where applicable; • 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 • assessed the adequacy of the disclosures related to impairment of goodwill in the context of the applicable financial reporting framework. Based on the audit procedures performed, we found the key judgements and assumptions used in the impairment assessment 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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, 29 March 2023