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COSCO SHIPPING Ports Limited

中遠海運港口有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

DISCLOSEABLE TRANSACTION

DISPOSAL OF INTERESTS IN TIANJIN EUROASIA TERMINAL

TIANJIN EUROASIA EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that on 28 April 2021, the Company (as seller), and Tianjin Port Holdings entered into the Tianjin Euroasia Equity Transfer Agreement in relation to the disposal of the entire 30% equity interests in Tianjin Euroasia Terminal (via the disposal of 100% equity interests in COSCO SHIPPING Ports (Tianjin Euroasia) (a wholly-owned subsidiary of the Company)) held by the Company.

As at the date of this announcement, COSCO SHIPPING Ports (Tianjin Euroasia) (a wholly-owned subsidiary of the Company) holds 30% of the equity interests in Tianjin Euroasia Terminal. Upon completion of the Disposal, COSCO SHIPPING Ports (Tianjin Euroasia) will cease to be a subsidiary of the Company and Tianjin Euroasia Terminal will cease to be a joint venture of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As set out in the announcement of the Company dated 26 February 2021, the Acquisition and the Disposal are inter-conditional upon each other. Therefore, the Acquisition and the Disposal will be classified by reference to the larger of the applicable percentage ratios (as defined under the Listing Rules) of the Acquisition and the Disposal. The highest of the applicable percentage ratios in respect of the Acquisition exceeds 5% but is lower than 25%. All the applicable percentage ratios in respect of the Disposal is lower than 5%. Accordingly, the Disposal constitutes a discloseable transaction of the Company, which is subject to the reporting and disclosure requirements under Chapter 14 of the Listing Rules.

As the Disposal is subject to the satisfaction or waiver of the conditions precedent, the Disposal may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

INTRODUCTION

Reference is made to the announcement of the Company dated 26 February 2021 in relation to the Acquisition.

The Board is pleased to announce that on 28 April 2021, the Company (as seller), and Tianjin Port Holdings entered into the Tianjin Euroasia Equity Transfer Agreement in relation to the disposal of the entire 30% equity interests in Tianjin Euroasia Terminal (via the disposal of 100% equity interests in COSCO SHIPPING Ports (Tianjin Euroasia) (a wholly-owned subsidiary of the Company)) held by the Company.

As at the date of this announcement, COSCO SHIPPING Ports (Tianjin Euroasia) (a wholly-owned subsidiary of the Company) holds 30% of the equity interests in Tianjin Euroasia Terminal. Upon completion of the Disposal, COSCO SHIPPING Ports (Tianjin Euroasia) will cease to be a subsidiary of the Company and Tianjin Euroasia Terminal will cease to be a joint venture of the Company.

TIANJIN EUROASIA EQUITY TRANSFER AGREEMENT

Set out below is a summary of the principal terms of the Tianjin Euroasia Equity Transfer Agreement:

Date

28 April 2021

Parties

1. the Company, as seller; and
2. Tianjin Port Holdings.

Subject matter

Pursuant to the Tianjin Euroasia Equity Transfer Agreement, the Company agreed to dispose of and Tianjin Port Holdings agreed to nominate an overseas subsidiary as the Purchaser and to procure the Purchaser to acquire 100% equity interests in COSCO SHIPPING Ports (Tianjin Euroasia).

Consideration

The consideration for the Disposal is RMB269,619,801.39, subject to the adjustments as detailed below.

The consideration for the Disposal was determined after arm's length negotiations between the parties with reference to (i) the preliminary valuation of 100% equity interests in COSCO SHIPPING Ports (Tianjin Euroasia) as at 31 December 2020 prepared by China Tong Cheng Assets Appraisal Co., Ltd.* (中通誠資產評估有限公司) (an independent valuer), being RMB269,619,801.39; and (ii) future prospect of Tianjin Euroasia Terminal.

The preliminary valuation is subject to filing with COSCO SHIPPING pursuant to applicable PRC laws and regulations. In the event that the final valuation after completion of the filing procedures of the valuation report is different from the preliminary valuation, the consideration for the Disposal will be adjusted accordingly and a supplemental agreement shall be signed by the Company and the Purchaser to confirm the final consideration within five business days after (i) the completion of the filing procedures of the valuation report; and (ii) the determination by Tianjin Port Holdings of the Purchaser. If the final valuation is the same as

the preliminary valuation, the consideration of RMB269,619,801.39 shall be the final consideration.

Payment terms

The final consideration for the Disposal shall be paid by the Purchaser to the Company in one lump sum in a US\$ equivalent amount within 15 business days from the date of completion of the Disposal.

Repayment of related accounts payables

As at 31 December 2020, COSCO SHIPPING Ports (Tianjin Euroasia) has related accounts payables in the amount of US\$41,816,941.77. The Company shall assist and procure that COSCO SHIPPING Ports (Tianjin Euroasia) consolidates all the related accounts payables (which are payable other than to the Company) to be payable to the Company before the date of completion of the Disposal. Tianjin Port Holdings and the Purchaser shall procure and undertake that COSCO SHIPPING Ports (Tianjin Euroasia) shall settle the related accounts payables (which are payable to the Company) within 30 business days after the latter of (i) the date of completion of the Disposal; and (ii) the date of completion of the abovementioned consolidation of the related accounts payables, subject to the limit of US\$41,816,941.77.

Conditions to the effectiveness of the Tianjin Euroasia Equity Transfer Agreement

The Tianjin Euroasia Equity Transfer Agreement shall become effective upon satisfaction of the following conditions, amongst others:

- (a) the Purchaser and the Company having signed the supplemental agreement in respect of the Disposal, and confirmed the final consideration of the Disposal (if required);
- (b) the parties having obtained their respective internal and external approvals in respect of the signing and implementation of the Tianjin Euroasia Equity Transfer Agreement pursuant to their constitutional documents and applicable laws;
- (c) Tianjin Port Development having complied with all applicable laws and regulations in respect of the Disposal and related matters (including the obtaining necessary shareholders' approval at a general meeting pursuant to applicable requirements under the Listing Rules);
- (d) Tianjin Port Group and APM Terminals having agreed in writing to the Disposal and to waive or is deemed to have waived the right of first refusal;
- (e) the Disposal having been approved by or registered with competent overseas investment regulatory authorities; and
- (f) the TCT Equity Transfer Agreement having been signed.

Conditions precedent to completion of the Disposal

Completion of the Disposal is conditional upon (i) the satisfaction or waiver of (as appropriate) the conditions precedent to completion of the Acquisition and (ii) the satisfaction or waiver of (as appropriate) the following conditions precedent, amongst others:

- (a) the Tianjin Euroasia Equity Transfer Agreement having become effective;

- (b) the State Administration for Market Regulation of the PRC having passed the review of the concentration of business operators or the anti-trust review in respect of the Disposal; and
- (c) the Company having arranged the resignation of the directors of COSCO SHIPPING Ports (Tianjin Euroasia) nominated by and the senior management appointed by the Company, with such resignations be effective on the date of completion of the Disposal.

The parties shall use their best efforts and take all necessary actions to promptly satisfy the conditions precedent and endeavour to complete the Disposal before 30 June 2021. If completion of the Disposal is restricted due to force majeure events, or if the Disposal does not complete before 30 September 2021, the parties shall negotiate based on the principle of amicable negotiation and actively seek reasonable and feasible solutions.

Completion

Completion of the Acquisition and the Disposal shall take place on the same day.

The Company and the Purchaser shall coordinate to complete the updates to the register of members and the register of directors of COSCO SHIPPING Ports (Tianjin Euroasia) in respect of the Disposal at the same time as the completion of the industrial and commercial registration in respect of the Acquisition under the TCT Equity Transfer Agreement, within 10 business days from the date on which (i) the conditions precedent to the completion of the Acquisition; and (ii) the conditions precedent to the completion of the Disposal are satisfied or waived (as appropriate).

The date of completion of the Disposal shall be the date on which the register of members and the register of directors of COSCO SHIPPING Ports (Tianjin Euroasia) are updated as a result of the Disposal, which shall be the same date of completion of the Acquisition.

Guarantee

Tianjin Port Holdings shall be jointly and severally liable to the Company for all the obligations, representations, warranties, undertakings and responsibilities of the Purchaser under the Tianjin Euroasia Equity Transfer Agreement and the supplemental agreement.

INFORMATION ABOUT COSCO SHIPPING PORTS (TIANJIN EUROASIA) AND TIANJIN EUROASIA TERMINAL

COSCO SHIPPING Ports (Tianjin Euroasia)

COSCO SHIPPING Ports (Tianjin Euroasia) is a company incorporated in the British Virgin Islands with limited liability. At the date of this announcement, it is a wholly-owned subsidiary of the Company. Its principal business is holding of the Company's indirect interest in Tianjin Euroasia Terminal.

Set out below is the financial information of COSCO SHIPPING Ports (Tianjin Euroasia) (as prepared in accordance with Hong Kong Financial Reporting Standards) for the financial years ended 31 December 2019 and 31 December 2020.

	For the year ended 31 December 2019	For the year ended 31 December 2020
	<i>US\$'000</i> (unaudited)	<i>US\$'000</i> (audited)
Net profit before taxation	1,215	1,626
Net profit after taxation	1,067	1,497

The audited net asset value of COSCO SHIPPING Ports (Tianjin Euroasia) as at 31 December 2020 was approximately US\$9,268,000.

Upon completion of the Disposal, COSCO SHIPPING Ports (Tianjin Euroasia) will cease to be a subsidiary of the Company.

Tianjin Euroasia Terminal

Tianjin Euroasia Terminal is a company incorporated in the PRC with limited liability and principally engaged in the operation of container terminal at the port of Tianjin in the PRC. As at the date of this announcement, Tianjin Euroasia Terminal is a joint venture of the Company and is held as to 40% by Tianjin Port Holdings, 25% by Tianjin Port Group, 30% by COSCO SHIPPING Ports (Tianjin Euroasia) and 5% by APM Terminals.

Set out below is the financial information of Tianjin Euroasia Terminal (as prepared in accordance with China Accounting Standards for Business Enterprises) for the financial years ended 31 December 2019 and 31 December 2020.

	For the year ended 31 December 2019	For the year ended 31 December 2020
	<i>RMB'000</i> (audited)	<i>RMB'000</i> (audited)
Net profit before taxation	68,376	94,564
Net profit after taxation	50,850	70,595

The audited net asset value of Tianjin Euroasia Terminal as at 31 December 2020 was approximately RMB1,482,014,000.

Upon completion of the Disposal, Tianjin Euroasia Terminal will cease to be a joint venture of the Company.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon completion of the Disposal, it is expected that the Company would record a net gain (after deducting the relevant taxes and expenses) on the Disposal of approximately US\$10,000,000, being the difference between the consideration for the 100% equity interests in COSCO SHIPPING Ports (Tianjin Euroasia) and the estimated carrying amount of the 100% equity interests in COSCO SHIPPING Ports (Tianjin Euroasia) and as well as the relevant

taxes and expenses. Due to possible fluctuation in foreign exchange rate, there may be differences in the consideration, the carrying amount of the 100% equity interests in COSCO SHIPPING Ports (Tianjin Euroasia) and the relevant taxes and expenses as at the date of completion of the Disposal. As a result, the Company's actual net gain on the Disposal may be different from the estimated amount set out above.

USE OF PROCEEDS

The Group intends to utilize the proceeds from the Disposal for future development of the Group and general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal is in line with the Company's strategic planning to divest assets in order to achieve capital recycling, which will add momentum for the future development and optimise domestic terminal portfolio. The Disposal and the Acquisition as a whole will be beneficial for the parties to further exert the strength of each party, improve the allocation of resources, and thereby increasing overall competitiveness and enhancing enterprise efficiency.

The Directors consider that the terms of the transactions under the Tianjin Euroasia Equity Transfer Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Group

The principal business of the Company is investment holding. The Group is principally engaged in the businesses of managing and operating terminals, and related businesses.

Tianjin Port Holdings

Tianjin Port Holdings is a company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600717).

As at the date of this announcement, Tianjin Port Holdings is a non-wholly owned subsidiary of Tianjin Port Development, which is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3382). Tianjin Port Holdings is principally engaged in containerised and non-containerised cargo handling services, sales and other port ancillary services at the port of Tianjin in the PRC, primarily through its subsidiaries and associated companies.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Tianjin Port Holdings, Tianjin Port Development and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As set out in the announcement of the Company dated 26 February 2021, the Acquisition and the Disposal are inter-conditional upon each other. Therefore, the Acquisition and the Disposal will be classified by reference to the larger of the applicable percentage ratios (as defined under

the Listing Rules) of the Acquisition and the Disposal. The highest of the applicable percentage ratios in respect of the Acquisition exceeds 5% but is lower than 25%. All the applicable percentage ratios in respect of the Disposal is lower than 5%. Accordingly, the Disposal constitutes a discloseable transaction of the Company, which is subject to the reporting and disclosure requirements under Chapter 14 of the Listing Rules.

As the Disposal is subject to the satisfaction or waiver of the conditions precedent, the Disposal may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Acquisition”	the acquisition of 34.99% equity interests in TCT by COSCO SHIPPING Ports (Tianjin) from Tianjin Port Holdings under the TCT Equity Transfer Agreement
“APM Terminals”	APM Terminals Tianjin Company Limited, a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors
“connected person”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Company”	COSCO SHIPPING Ports Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1199)
“COSCO SHIPPING”	China COSCO SHIPPING Corporation Limited* (中國遠洋海運集團有限公司), the ultimate controlling shareholder of the Company and a state-owned enterprise in the PRC
“COSCO SHIPPING Ports (Tianjin)”	COSCO SHIPPING Ports (Tianjin) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“COSCO SHIPPING Ports (Tianjin Euroasia)”	COSCO SHIPPING Ports (Tianjin Euroasia) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 100% equity interests in COSCO SHIPPING Ports (Tianjin Euroasia) (which in turn holds 30% equity interests in Tianjin Euroasia Terminal) by the Company under the Tianjin Euroasia Equity Transfer Agreement

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement and unless the context suggests otherwise, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	an overseas subsidiary of Tianjin Port Holdings nominated by Tianjin Port Holdings to be the purchaser under the Tianjin Euroasia Equity Transfer Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TCT”	Tianjin Port Container Terminal Co., Ltd.* (天津港集裝箱碼頭有限公司), a company incorporated in the PRC with limited liability
“TCT Equity Transfer Agreement”	the equity transfer agreement dated 26 February 2021 entered into amongst COSCO SHIPPING Ports (Tianjin), the Company and Tianjin Port Holdings in relation to acquisition of 34.99% equity interests in TCT by COSCO SHIPPING Ports (Tianjin) from Tianjin Port Holdings
“Tianjin Euroasia Equity Transfer Agreement”	the equity transfer agreement dated 28 April 2021 entered into between the Company and Tianjin Port Holdings in relation to the disposal of 100% equity interests in COSCO SHIPPING Ports (Tianjin Euroasia) by the Company to the Purchaser
“Tianjin Euroasia Terminal”	Tianjin Port Euroasia International Container Terminal Co., Ltd.* (天津港歐亞國際集裝箱碼頭有限公司), a company incorporated in the PRC with limited liability
“Tianjin Port Development”	Tianjin Port Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3382)

“Tianjin Port Group”	Tianjin Port (Group) Co., Ltd.* (天津港(集團)有限公司), the ultimate holding company of Tianjin Port Holdings and a state-owned enterprise in the PRC
“Tianjin Port Holdings”	Tianjin Port Holdings Co., Ltd.* (天津港股份有限公司), a company incorporated in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600717)
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent

For the purposes of this announcement, the English name with an asterisk () is an unofficial English transliteration or translation and is for identification purposes only.*

By Order of the Board
COSCO SHIPPING Ports Limited
FENG Boming
Chairman

Hong Kong, 28 April 2021

As at the date of this announcement, the Board comprises Mr. FENG Boming¹ (Chairman), Mr. ZHANG Dayu¹ (Managing Director), Mr. DENG Huangjun¹, Mr. ZHANG Wei², Mr. CHEN Dong², Dr. WONG Tin Yau, Kelvin¹, Dr. FAN HSU Lai Tai, Rita³, Mr. Adrian David LI Man Kiu³, Mr. LAM Yiu Kin³, Prof. CHAN Ka Lok³ and Mr. YANG Liang Yee Philip³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director