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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)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS SUPPLIES AGREEMENTS OF TIANJIN PORT CONTAINER TERMINAL CO., LTD.

Reference is made to the announcements of the Company dated 26 February 2021, 28 July 2021 and 25 November 2021 in relation to the acquisition of 34.99% equity interests in TCT by COSCO SHIPPING Ports (Tianjin) (a wholly-owned subsidiary of the Company) from Tianjin Port Holdings. Following completion of such acquisition on 3 December 2021, the Company, through its wholly-owned subsidiaries, holds 51% equity interests in TCT. Accordingly, TCT became a subsidiary of the Company. Tianjin Port Holdings, which owns 41.69% equity interests in TCT, is a substantial shareholder of TCT and therefore became a connected person of the Company at the subsidiary level. The TPG Group Members, being companies held directly or indirectly as to 30% or more by Tianjin Port Group (which is the ultimate holding company of Tianjin Port Holdings), also became connected persons of the Company at the subsidiary level accordingly by virtue of being associates of Tianjin Port Holdings.

TCT has (including, in some cases, before TCT became a subsidiary of the Company) entered into the Supplies Agreements with the TPG Group Members for the supply of certain goods and services by the TPG Group Members to TCT. Accordingly, the Transactions constitute continuing connected transactions of the Company with connected persons at the subsidiary level. Since the highest applicable percentage ratio in respect of the Transactions (and other transactions of a similar nature of TCT with Tianjin Port Group and its associates before 1 January 2022) during the period from 3 December 2021 (being the date on which TCT became a subsidiary of the Company) to 31 December 2021 was less than 1%, such transactions were fully exempt from the shareholders' approval, annual review and disclosure requirements under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the estimated annual caps for the Transactions for the three years ending 31 December 2024 exceeds 1% but is less than 5%, the Transactions are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

TCT is currently in the course of negotiating for the entering into of a master agreement for a term of three years with Tianjin Port Group, pursuant to which TCT may from time to time (1) enter into transactions of a similar nature as the Transactions with Tianjin Port Group and its associates; and (2) provide terminal and related services to Tianjin Port Group and its associates. Announcement on the master agreement will be made as and when appropriate following the entering into of the same.

THE SUPPLIES AGREEMENTS

Set out below are details of the Supplies Agreements entered into by TCT with the TPG Group Members:

No.	Date	Supplier	Scope of provision of goods or services	Term	Price	Payment terms
1.	1 May 2019 (as amended to extend the term on 1 January 2020)	Tianjin ShengGang	Stevedoring and cargo handling services	1 May 2019 to 2 April 2022 (already expired)	(a) Service fee: RMB8.5 per TEU (tax exclusive) (b) Reimbursement of labour costs based on actual usage	Monthly payment by the 10 th day of the following month
2.	13 April 2022	Tianjin ShengGang	Stevedoring and cargo handling services	3 April 2022 to 31 December 2022	(a) Service fee: RMB7.6 per TEU (tax exclusive) (b) Reimbursement of labour costs based on actual usage	Monthly payment by the 15 th day of the following month
3.	1 May 2019 (as amended to extend the term on 1 January 2020)	Tianjin ShengGang	Stevedoring, transportation, cargo handling, equipment maintenance, materials management and operational assistance services	1 May 2019 to 31 May 2022 (already expired)	(a) Service fee: RMB34,174,193.17 per annum (tax exclusive) (b) Reimbursement of labour costs based on actual usage	Monthly payment by the 10 th day of the following month
4.	31 March 2019 (as amended to extend the term on 1 January 2020)	Tianjin ShengGang	Stevedoring and ancillary services	1 April 2019 to 31 May 2022 (already expired)	Service fee of RMB41.05 per TEU (tax exclusive)	Monthly payment by the 10 th day of the following month
5.	31 March 2019 (as amended to extend the term on 1 January 2020)	Tianjin ShengGang	Equipment maintenance	1 April 2019 to 31 May 2022 (already expired)	(a) Service fee of RMB785,000 (tax exclusive) (b) Reimbursement of labour costs based on actual usage	Monthly payment by the 10 th day of the following month
6.	1 May 2019 (as amended to extend the term on 1 January 2020)	Tianjin ShengGang	Whole process support for terminal operations and ancillary services	1 May 2019 to 31 May 2022 (already expired)	(a) Service fee: RMB23.48 per TEU (tax exclusive) (b) Labour costs: RMB7.6 per TEU (tax exclusive)	Monthly payment by the 10 th day of the following month

No.	Date	Supplier	Scope of provision of goods or services	Term	Price	Payment terms
7.	29 April 2021 (as amended to extend the term on 1 January 2022)	TP Living	General cleaning and management services for offices and facilities in the western area	1 May 2021 to 31 March 2022 (already expired)	RMB721,925 per month (tax exclusive)	Monthly payment by the 15 th day of the following month
8.	22 April 2022	TP Living	General cleaning and management services for offices and facilities in the western area	1 April 2022 to 31 December 2022	The contract sum of RMB 6,890,676 (tax exclusive)	Equal monthly instalment payment by the 15 th day of the following month
9.	1 January 2022	TP Materials Supply	Labour for materials supplies	1 January 2022 to 31 December 2022	The contract sum of RMB1,379,580 (tax exclusive)	Equal monthly instalment payment by the 15 th day of each month
10.	2 March 2021 (as amended to extend the term on 5 January 2022)	Tianjin The East	Natural gas and liquefied natural gas	1 January 2021 to 31 March 2022 (already expired)	(a) Natural gas per cubic metre: 64.5% of the highest retail price of diesel per litre for Tianjin as published by the National Development and Reform Commission (the "NDRC") (b) Liquefied natural gas per litre: 64.5% of the highest retail price of diesel per litre for Tianjin as published by the NDRC multiplied by 1.43	Within 7 working days after receipt of invoice
11.	30 March 2022	Tianjin The East	Natural gas and liquefied natural gas	1 April 2022 to 31 December 2022	(a) Natural gas per cubic metre: 70.8% of the highest retail price of diesel per litre for Tianjin as published by the NDRC (b) Liquefied natural gas per litre: 70.8% of the highest retail price of diesel per litre for Tianjin as published by the NDRC multiplied by 1.43	Within 7 working days after receipt of invoice

No.	Date	Supplier	Scope of provision of goods or services	Term	Price	Payment terms
12.	26 April 2021 (as amended to extend the term on 1 January 2022)	TP Materials Supply	Fuel oil	1 January 2021 to 31 March 2022 (already expired)	The maximum retail price of fuel oil as published by the Tianjin Development and Reform Commission, with a discount of RMB600 per ton. If paid by bank's acceptance bill, the discount will be reduced to RMB300 to RMB550 per ton depending on the length of the payment period	By the 20 th day of the following month after receipt of invoice
13.	1 January 2022	Tianjin Jingang	Water	1 January 2022 to 31 December 2024	The price for water approved by the local government department of price administration	By the 25 th day of the following month
14.	1 January 2022	Tianjin Harbor Electric	Electricity	1 January 2022 to 31 December 2022	Charged in accordance with the standard prices for the region published by the State Grid Corporation of China, subject to adjustments with reference to the Tianjin Development and Reform Commission and relevant industry documents	Payment by the 20 th day of each month of an amount equal to 80% of the charges for the previous month, with the deficit to be paid (or excess to be refunded) on the 6 th to 8 th day of the following month after reading of the meter
15.	1 January 2022	Tianjin Harbor Electric	Electricity system services and public electricity facilities leasing	1 January 2022 to 31 December 2024	(a) Electricity system services: RMB0.18/kWh (tax inclusive) (b) Public electricity facilities leasing: RMB12/ kVA per month (tax exclusive)	By the 21 st to 25 th day of each month
16.	1 January 2021 (as amended to extend the term on 5 January 2022)	Tianjin Harbor Power	Electricity system operation and maintenance	1 January 2021 to 31 March 2022 (already expired)	The contract sum of RMB3,600,000 (tax inclusive)	Payment of 5 instalments of RMB720,000 each in the last month of each quarter following receipt of invoice

No.	Date	Supplier	Scope of provision of goods or services	Term	Price	Payment terms
17.	30 March 2022	Tianjin Harbor Power	Electricity system operation and maintenance	1 April 2022 to 31 December 2022	The contract sum of RMB2,160,000 (tax inclusive)	Payment of 3 instalments of RMB720,000 each in the last month of each quarter following receipt of invoice
18.	1 September 2021 (as amended to extend the term on 1 January 2022, 22 April 2022 and 24 April 2022)	TP Living	Cleaning, garbage removal, meeting and reception, greening, snow cleaning and melting, and related services	1 September 2021 to 31 May 2022 (already expired)	(a) For the period from 1 September 2021 to 31 December 2021: RMB1,675,035 per month (tax inclusive) (b) For the period from 1 January 2022 to 31 March 2022: RMB558,345 per month (tax inclusive) (c) For the period from 1 April 2022 to 30 April 2022: RMB492,300 per month (tax inclusive) (d) Additional lump sum payment (including fees for the period from 1 January 2022 to 31 May 2022): RMB683,335 (tax inclusive)	For the period from 1 September 2021 to 30 April 2022: Monthly payment by the 25 th day of each month following receipt of invoice For the lump sum payment of RMB683,335: Within 30 working days following acceptance of inspection and receipt of invoice
19.	1 May 2022	TP Living	Cleaning services	1 May 2022 to 31 December 2022	(a) Service fee: the contract sum of RMB3,555,800 (tax inclusive) (b) Allowance for temporary extension of working hours: RMB105 per person each time (c) Allowance for personnel transferred from outside the port area: RMB210 per person each time (d) Travel allowance: RMB25 per person	Service fee: Equal monthly instalment payment following receipt of invoice, except that the monthly fee for November and December 2022 are payable by 31 December 2022 Allowances: payment upon confirmation by the parties

No.	Date	Supplier	Scope of provision of goods or services	Term	Price	Payment terms
					(e) Car usage allowance: RMB200 per car	and receipt of invoice
20.	1 December 2021	TP Living	Snow clearing and melting	1 December 2021 to 31 March 2022 (already expired)	The contract sum of RMB98,000 (tax inclusive)	50% payable in advance upon signing of the agreement and receipt of invoice, the remaining 50% payable in the month following acceptance of inspection and receipt of invoice
21.	1 January 2022	TP Bay Landscaping	Pest control	1 January 2022 to 31 December 2022	The contract sum of RMB210,000 (tax inclusive)	50% payable in advance within 30 days from the date of the agreement and the other 50% payable within 30 days following receipt of invoice after completion of the project and submission of inspection report
22.	1 January 2022	Tianjin Jingang	Collection of domestic sewage	1 January 2022 to 31 December 2022	RMB1.4 per ton (tax inclusive)	Within 30 days after issuance of invoice
23.	1 February 2019 (as amended to extend the term on 1 January 2020, 26 February 2021, 1 January 2022, 30 March 2022 and 29 April 2022)	Tianjin Jingangbin Catering	Workshop meal delivery	1 February 2019 to 31 May 2022 (already expired)	RMB15 per meal card (tax inclusive), with the price of each meal being the guidance price set by Tianjin Port Group	In advance by the 15 th day of each month, with any necessary adjustment upon reconciliation taken into account in the payment to be made in the following month

No.	Date	Supplier	Scope of provision of goods or services	Term	Price	Payment terms
24.	30 April 2021 (as amended to extend the term on 14 February 2022)	Tianjin JinAn	Outsourcing of fixed mechanical equipment parts maintenance	1 January 2021 to 31 March 2022 (already expired)	Not more than RMB5,100,000 in total for the year ended 31 December 2021 (tax inclusive) and not more than RMB1,275,000 in total for the period from 1 January 2022 to 31 March 2022 (tax inclusive), determined with reference to actual usage	Early the following month subject to acceptance of inspection and receipt of invoice
25.	22 April 2022	Tianjin JinAn	Outsourcing of fixed mechanical equipment parts maintenance	1 April 2022 to 31 December 2022	Not more than RMB3,689,010 in total (tax inclusive) and not more than RMB409,890 per month (tax inclusive), determined with reference to actual usage	Monthly payment by the 30 th day of the following month subject to acceptance of inspection and receipt of invoice
26.	22 April 2022	Tianjin JinAn	Outsourcing of yard crane and quay crane equipment maintenance	1 April 2022 to 31 December 2022	Not more than RMB3,740,000 in total (tax inclusive), determined with reference to actual usage	Monthly payment by the 30 th day of the following month subject to acceptance of inspection and receipt of invoice
27.	26 April 2022	Tianjin JinAn	Equipment maintenance	1 April 2022 to 31 December 2022	Not more than RMB2,122,000 in total (tax inclusive), determined with reference to actual usage	Monthly payment by the 30 th day of the following month subject to acceptance of inspection and receipt of invoice
28.	1 January 2022	Tianjin Ocean Shipping	Inspection and tallying of import and export cargo	1 January 2022 to 31 December 2022	(a) Handling and storage fees: As subsidised by the government (b) Sealing fee: RMB30 per container	TCT to collect the service fees from the government and pay the same to Tianjin Ocean Shipping following receipt of invoice

No.	Date	Supplier	Scope of provision of goods or services	Term	Price	Payment terms
29.	1 January 2022	TP Logistics Development	Container transport and yard storage services	1 January 2022 to 31 December 2022	<p>(a) If a container is picked up by the owner within 7 days of mooring: Handling fees payable to TP Logistics Development will be in the range of RMB60 to RMB180 per container, varied with reference to size and method of dispatch of containers</p> <p>(b) If a container is picked up by the owner after the 7th day of mooring: No handling fees will be payable to TP Logistics Development; Instead, for containers dispatched to the yard by TCT, services fees will be payable to TCT in the range of RMB76 to RMB114 per container, varied with reference to the size of containers</p>	Monthly payment to be made within 5 working days following issue of invoice
30.	1 January 2022	TP Logistics Development	Towing of container handling vessels	1 January 2022 to 31 December 2022	<p>(a) Moving fees for stevedoring: Maximum RMB24.2 for each 20 feet container and maximum RMB36.3 for each 40 feet container, varied with reference to attendance rate of towing trucks</p> <p>(b) Transfer fees: Maximum RMB100 per container for transfer to</p>	Monthly payment by the 15th day of the following month following receipt of invoice

No.	Date	Supplier	Scope of provision of goods or services	Term	Price	Payment terms
					Beijiang and maximum RMB180 per container for transfer to Dongjiang, varied with reference to attendance rate of towing trucks (c) Fees for hauling of containers within the yard: In the range of RMB0 to RMB15 per container, varied with reference to the required amount of such operation and size of the container	
31.	20 August 2020	TP IT Development	Adobe software technical services	20 August 2020 to 19 August 2023	The contract sum of RMB390,960 (tax inclusive)	Payment of 3 instalments of RMB130,320 each. The first instalment being payable within 40 working days from signing of the agreement, the second instalment being payable by 31 July 2021 and the third one being payable by 31 July 2022
32.	2 March 2021 (as amended to extend the term on 1 January 2022)	TP IT Development	Tianjin Port 800MHz intercom network service	1 January 2021 to 31 March 2022 (already expired)	RMB156,000 for the year ended 31 December 2021 (tax inclusive) and RMB33,000 for the period from 1 January 2022 to 31 March 2022 (tax inclusive)	For the year ended 31 December 2021, within 30 working days following receipt of invoice and by 30 October 2021 For the period from 1 January 2022 to 31 March 2022, within 30 working days

No.	Date	Supplier	Scope of provision of goods or services	Term	Price	Payment terms
						following receipt of invoice after expiry of the term
33.	8 March 2021 (as amended to extend the term on 1 January 2022)	TP IT Development	Information system services	1 January 2021 to 31 March 2022 (already expired)	RMB170,000 for the year ended 31 December 2021 (tax inclusive) and RMB42,500 for the period from 1 January 2022 to 31 March 2022 (tax inclusive)	For the year ended 31 December 2021, 50% payable within 30 working days following receipt of invoice issued in June 2021 and 50% payable within 30 working days following receipt of invoice issued in December 2021 For the period from 1 January 2022 to 31 March 2022, within 30 working days following receipt of invoice after expiry of the term
34.	31 March 2022	TP IT Development	Information system services	1 April 2022 to 31 December 2022	The contract sum of RMB498,000 (tax inclusive)	50% payable within 30 days from receipt of invoice issued in July 2022 and the other 50% payable within 30 days from receipt of invoice issued in November 2022
35.	31 March 2021 (as amended to extend the term on 1 January 2022)	TP IT Development	Call centre customer services	1 January 2021 to 31 March 2022 (already expired)	RMB65,000 for the year ended 31 December 2021 (tax inclusive) and RMB16,250 for the period from 1 January 2022 to 31 March 2022 (tax inclusive)	For the year ended 31 December 2021, in advance by the last day of the second quarter

No.	Date	Supplier	Scope of provision of goods or services	Term	Price	Payment terms
						For the period from 1 January 2022 to 31 March 2022, within 30 working days following receipt of invoice after expiry of the term
36.	7 May 2022	TP IT Development	Authorised use of integrated system for container terminal operation	30 November 2021 to 31 December 2022	RMB4.5 per TEU (tax inclusive)	Following receipt of invoices issued in June, September and December 2022, except that the fees incurred after 6pm on 30 November 2022 are payable in January 2023
37.	11 May 2022	TP IT Development	Licence for use of automated yard control (AYC) system	30 November 2021 to 31 December 2022	RMB2.2 per TEU (tax inclusive)	Following receipt of the invoice issued in June and December 2022, except that the fees incurred after 6pm on 30 November 2022 are payable in January 2023
38.	7 December 2021	TP IT Development	Customs video surveillance technology	7 December 2021 to 6 December 2024	The contract sum of RMB1,500,000 (tax inclusive)	Within 30 working days after receipt of invoice, which shall be issued within 30 days of the effective date of the agreement
39.	Monthly contract to be entered into on a monthly basis	TP IT Development	Telephone services	Monthly contract to be entered into on a monthly basis	(a) Service fees: ranging from RMB0.11 per minute to RMB0.8 every six seconds to be determined with reference to local or long distance	Monthly in arrears following receipt of monthly telephone bill

No.	Date	Supplier	Scope of provision of goods or services	Term	Price	Payment terms
					services and actual usage (b) Monthly rental of each telephone set: RMB35	
40.	8 March 2021 (as amended to extend the term on 1 January 2022)	TP IT Development	Optic fibre broadband access	1 January 2021 to 31 March 2022 (already expired)	RMB598,800 for the year ended 31 December 2021 (tax inclusive) and RMB149,700 for the period from 1 January 2022 to 31 March 2022 (tax inclusive)	For the year ended 31 December 2021, 4 quarterly instalments of RMB149,700 each payable by the end of March, June, September and November of 2021 and within 30 working days from receipt of invoice For the period from 1 January 2022 to 31 March 2022, within 30 working days following receipt of invoice after expiry of the term
41.	8 March 2021 (as amended to extend the term on 1 January 2022)	TP IT Development	Optic fibre leasing	1 January 2021 to 31 March 2022 (already expired)	RMB558,000 for the year ended 31 December 2021 (tax inclusive) and RMB139,500 for the period from 1 January 2022 to 31 March 2022 (tax inclusive)	For the year ended 31 December 2021, 4 quarterly instalments of RMB139,500 each payable by the end of March, June, September and November of 2021 and within 30 working days from receipt of invoice For the period from 1 January 2022 to 31 March 2022,

No.	Date	Supplier	Scope of provision of goods or services	Term	Price	Payment terms
						within 30 working days following receipt of invoice after expiry of the term
42.	31 March 2022	TP IT Development	Optic fibre leasing	1 April 2022 to 31 December 2022	The contract sum of RMB418,500 (tax inclusive)	Payment of 3 instalments of RMB139,500 each by the end of each quarter and within 30 working days from receipt of invoice
43.	2 April 2022	TP IT Development	Internet access services	1 April 2022 to 31 December 2022	The contract sum of RMB449,100 (tax inclusive)	Payment of 3 instalments of RMB149,700 each by the end of each quarter and within 30 working days from receipt of invoice
44.	23 March 2022	TP IT Development	Integrated terminal system peripheral system and interface development project maintenance services	23 March 2022 to 31 December 2022	The contract sum of RMB150,000 (tax inclusive)	50% payable within 30 days from receipt of invoice issued in June 2022 and the other 50% payable within 45 days from receipt of invoice issued in November 2022
45.	7 April 2022	Tianjin Harbour Human Resource	Human resource management services	1 January 2022 to 31 December 2022	(a) File management fees: RMB5 per person per month (b) Handling fees for digitization of personnel files hardcopies: RMB150 per file	By 31 October 2022

The fees and charges payable under the Supplies Agreements were determined after arm's length negotiations between the parties with reference to the prices and price guidances published by the government or authoritative bodies, the prevailing market prices for the goods and services and costs of labour (as the case may be), and are no less favourable to TCT than those it could have obtained from independent third parties (if any) for the same or similar types of goods and services. The fees and charges have been and will be paid by TCT from its general working capital.

HISTORICAL TRANSACTION AMOUNTS

The historical amounts of the Transactions (and other transactions of a similar nature of TCT with Tianjin Port Group and its associates before 1 January 2022) were as follows:

For the period from 3 December 2021 (being the date on which TCT became a subsidiary of the Company) to 31 December 2021	For the four months ended 30 April 2022
Approximately RMB29,857,000	Approximately RMB89,828,000

ESTIMATED TRANSACTION CAPS AND BASIS

Taking into account (i) the historical transaction amounts; and (ii) the expected increase in the demand for the relevant goods and services as a result of possible growth in TCT's operations, the estimated annual caps for the Transactions are as follows:

For the year ending 31 December 2022	For the year ending 31 December 2023	For the year ending 31 December 2024
RMB274,123,000	RMB11,094,000	RMB11,094,000

The estimated annual caps for the two years ending 31 December 2024 are less than that for the year ending 31 December 2022 as most of the Supplies Agreements have expired or will expire by the end of the year 2022.

INTERNAL CONTROL PROCEDURES

In addition to the annual review by the auditors and independent non-executive Directors pursuant to the requirements of Chapter 14A of the Listing Rules, as part of the Group's internal control system to ensure that the transactions between the Group (including TCT) and its connected persons are conducted in accordance with the terms of the relevant agreements, the Company will implement the following internal control arrangements:

- (1) the relevant business unit of TCT will periodically observe market conditions and monitor the prevailing market prices including the pricing of contemporaneous transactions with independent third parties in respect of comparable types of services and/or supplies in the same or nearby area in the ordinary course of business (where applicable), and evaluate if the Transactions are still no less favourable to TCT than those it could have obtained from independent third parties for similar types of services and/or supplies;
- (2) the Finance Department of the Company and TCT each has a designated person to monitor and ensure that the amount of the Transactions will not exceed the annual caps. If the transaction amount reaches 80% of the annual cap, or is expected to exceed the annual cap within 3 months, the Company will determine the appropriate actions to be taken, such as (a) require TCT to terminate or suspend the relevant Transactions with the TPG Group Members which would cause the annual cap to be exceeded; or (b) revise the annual cap and comply with the relevant requirements of the Listing Rules;

- (3) TCT will prepare a report on the Transactions for each quarter and organise meetings regularly with the Finance Department of the Company to review and assess whether the Transactions are conducted in accordance with the terms of the Supplies Agreements. After the report is reviewed by the relevant departments and the management of the Company, it will be submitted to the Audit Committee of the Company and the Board for further review;
- (4) the Audit and Supervision Department of the Company will monitor the risks related to connected transactions entered into by TCT by reviewing its minutes of important meetings as well as accounting records to identify if TCT has any undisclosed connected transactions; and
- (5) the Audit and Supervision Department of the Company 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 TCT's processes for identification of connected persons and its procedures for dealing with continuing connected transactions. It 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 terms of the relevant agreements (including the Supplies Agreements).

The Board is of the view that the Group has implemented effective internal control procedures as set out above to ensure that the pricing and other contract terms of the Transactions are on normal commercial terms and no less favourable to the Group than the terms available from independent third parties.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Some of the Supplies Agreement (and other agreements of a similar nature which have since expired) were entered into by TCT long before TCT became a subsidiary of the Company, when TCT was a subsidiary of Tianjin Port Group. Tianjin Port Group and its associates have a long-established and predominant presence at the port of Tianjin in the PRC. Their continued provision of goods and services to TCT (including after it became a subsidiary of the Company) has provided TCT with overall business and operational convenience and synergy, and helped to ensure that TCT can operate its container terminal business at the port of Tianjin without interruption. In addition, some of the TPG Group Members are the only suppliers of the relevant goods and services within the port of Tianjin which meet the production scale and requirements of TCT for its port operations, whereas some of them are the suppliers designated by the operational management of the port of Tianjin. As the relevant goods and services are provided by the TPG Group Members on terms no less favourable to TCT than those available from independent third parties (where applicable), it is beneficial to TCT to continue to purchase them from the TPG Group Members pursuant to the Supplies Agreements. Notwithstanding the entering into of the Supplies Agreement, TCT may purchase the same or similar goods and services from other suppliers as it thinks fit and appropriate for its benefit.

None of the Directors has a material interest in the Transactions. The Directors (including all the independent non-executive Directors) consider that the Supplies Agreements and the Transactions are in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms thereof and the estimated annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Reference is made to the announcements of the Company dated 26 February 2021, 28 July 2021 and 25 November 2021 in relation to the acquisition of 34.99% equity interests in TCT by COSCO SHIPPING Ports (Tianjin) (a wholly-owned subsidiary of the Company) from Tianjin Port Holdings. Following completion of such acquisition on 3 December 2021, the Company, through its wholly-owned subsidiaries, holds 51% equity interests in TCT. Accordingly, TCT became a subsidiary of the Company. Tianjin Port Holdings, which owns 41.69% equity interests in TCT, is a substantial shareholder of TCT and therefore became a connected person of the Company at the subsidiary level. The TPG Group Members, being companies held directly or indirectly as to 30% or more by Tianjin Port Group (which is the ultimate holding company of Tianjin Port Holdings), also became connected persons of the Company at the subsidiary level accordingly by virtue of being associates of Tianjin Port Holdings.

Accordingly, the Transactions constitute continuing connected transactions of the Company with connected persons at the subsidiary level. Since the highest applicable percentage ratio in respect of the Transactions (and other transactions of a similar nature of TCT with Tianjin Port Group and its associates before 1 January 2022) during the period from 3 December 2021 (being the date on which TCT became a subsidiary of the Company) to 31 December 2021 was less than 1%, such transactions were fully exempt from the shareholders' approval, annual review and disclosure requirements under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the estimated annual caps for the Transactions for the three years ending 31 December 2024 exceeds 1% but is less than 5%, the Transactions are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

TCT is currently in the course of negotiating for the entering into of a master agreement for a term of three years with Tianjin Port Group, pursuant to which TCT may from time to time (1) enter into transactions of a similar nature as the Transactions with Tianjin Port Group and its associates; and (2) provide terminal and related services to Tianjin Port Group and its associates. Announcement on the master agreement will be made as and when appropriate following the entering into of the same.

TCT has also been and is continuing to supply container terminal related services to Tianjin Port Group and its associates. Since the highest applicable percentage ratio in respect of such transactions since 3 December 2021 (being the date on which TCT became a subsidiary of the Company) has been less than 1%, such transactions have been and are so far fully exempt from the shareholders' approval, annual review and disclosure requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES TO THE SUPPLIES AGREEMENTS

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. TCT is a company incorporated in the PRC with limited liability and is principally engaged in the operation of container terminal at the port of Tianjin in the PRC.

Set out below are the principal business activities of the TPG Group Members:

TPG Group Member	Principal business activities
Tianjin ShengGang	Equipment installation, modification and repair; stevedoring; port equipment and machinery leasing and maintenance; labour dispatch services
TP Living	Water and heat supply for production and domestic uses in port area; property management; environmental hygiene and cleaning services; greening engineering and maintenance
TP Materials Supply	Supply of materials, parts and components, equipment and tools; wholesale of refined oil (excluding hazardous chemicals)
Tianjin The East	Liquefied natural gas new energy technology research and development and related technical consulting services; construction and management of gas filling stations; liquefied natural gas vehicle refueling
Tianjin Jingang	Water supply management and operation services; sewage treatment and environmental protection technical services
Tianjin Harbor Electric	Power supply system operation and management; sales of electrical equipment, accessories and materials; electrical equipment and facilities leasing
Tianjin Harbor Power	Power system operation and maintenance; testing and maintenance of power equipment
TP Bay Landscaping	Green space maintenance, design, seedling cultivation and flower leasing
Tianjin Jingangbin Catering	Restaurant; catering business consulting; wholesale and retail of food; food production (with licenses)
Tianjin JinAn	Design, manufacture, installation, modification and maintenance of equipment
Tianjin Ocean Shipping	Port tally; import and export commodity inspection and appraisal
TP Logistics Development	General freight and special cargo transportation (container); container storage, demolition, packing, leasing, repairing and washing
TP IT Development	Sales of communication equipment and optical fibres; wholesale and retail of computer software, hardware and auxiliary equipment, digital video surveillance systems, information security equipment, industrial automatic control system devices; information system integration, operation and maintenance services; security system monitoring services
Tianjin Harbour Human Resource	Labour dispatch, agency and consulting services

Tianjin Port Group is the ultimate holding company of all the TPG Group Members (other than Tianjin ShengGang, Tianjin The East and Tianjin Jingangbin Catering) and the single largest equity holder of Tianjin Jingangbin Catering as it indirectly controls 40% of that company. The principal business of Tianjin Port Group includes port handling and stevedoring services, warehousing, logistics, and port area land development at the port of Tianjin in the PRC through its group companies.

Tianjin ShengGang is a company incorporated in the PRC with limited liability and is a 33%-controlled company of Tianjin Port Group. The other equity holders of Tianjin ShengGang are

TCT and Tianjin Gangbin Investment Development Co., Ltd* 天津港濱投資發展有限公司, which hold interests of 33% and 34% in Tianjin ShengGang respectively. Li Wenda* 李文達 and Tianjin Binhai New Area Tanggu Agricultural and By-products Purchase and Sales Service Center* 天津市濱海新區塘沽農副產品購銷服務中心, a state-owned business entity (事業單位), are the ultimate beneficial owners of Tianjin Gangbin Investment Development Co., Ltd* 天津港濱投資發展有限公司.

Tianjin The East is a company incorporated in the PRC with limited liability and is held indirectly as to 50% by Tianjin Port Holdings and as to 50% by China National Offshore Oil Corporation* 中國海洋石油集團有限公司, a state-owned company, which principally engages in business investment, gas production and supply. Tianjin Port Holdings is a non-wholly owned subsidiary of Tianjin Port Development. The ultimate holding company of Tianjin Port Development is Tianjin Port Group.

DEFINITIONS

“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	COSCO SHIPPING Ports Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1199)
“connected person”	has the meaning ascribed thereto in the Listing Rules
“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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 the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“Supplies Agreements”	the 45 agreements entered into between TCT and the TPG Group Members, details of which are set out in the section

	headed “THE SUPPLIES AGREEMENTS” in this announcement
“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 and a non-wholly-owned subsidiary of the Company
“TEU”	twenty-foot equivalent unit
“TP Bay Landscaping”	Tianjin Port Bay Landscaping Co., Ltd* 天津港海灣園林綠化有限公司, a company incorporated in the PRC with limited liability and a non-wholly-owned subsidiary of Tianjin Port Group
“TP IT Development”	Tianjin Port Information Technology Development Co., Ltd* 天津港資訊技術發展有限公司, a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Tianjin Port Group
“TP Living”	Tianjin Port Living Service Co., Ltd* 天津港生活服務有限公司, a company incorporated in the PRC with limited liability and a non-wholly-owned subsidiary of Tianjin Port Group
“TP Logistics Development”	Tianjin Port Logistics Development Co., Ltd* 天津港物流發展有限公司, a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Tianjin Port Holdings
“TP Materials Supply”	Tianjin Port Materials Supply Co., Ltd* 天津港物資供應有限責任公司, a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Tianjin Port Holdings
“Tianjin Harbor Electric”	Tianjin Harbor Electric Power Co., Ltd* 天津港電力有限公司, a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Tianjin Port Group
“Tianjin Harbor Power”	Tianjin Harbor Power Engineering Co., Ltd* 天津港灣電力工程有限公司, a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Tianjin Port Group
“Tianjin Harbour Human Resource”	Tianjin Harbour Human Resource Services Co., Ltd* 天津港灣人力資源服務有限公司, a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Tianjin Port Group

“Tianjin JinAn”	Tianjin JinAn Heavy Equipment Co., Ltd* 天津金岸重工有限公司, a company incorporated in the PRC with limited liability and a non-wholly-owned subsidiary of Tianjin Port Group
“Tianjin Jingang”	Tianjin Jingang Infrastructure Maintenance Operation Engineering Management Co., Ltd* 天津津港基礎設施養護運營工程管理有限公司, a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Tianjin Port Group
“Tianjin Jingangbin Catering”	Tianjin Jingangbin Catering Service Co., Ltd* 天津金港濱餐飲服務有限公司, a company incorporated in the PRC with limited liability and a 40%-controlled company of Tianjin Port Group
“Tianjin Ocean Shipping”	Tianjin Ocean Shipping Tally Co., Ltd* 天津外輪理貨有限公司, a company incorporated in the PRC with limited liability and a non-wholly-owned subsidiary of Tianjin Port Holdings
“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, an entity reorganised as a wholly state-owned company in the PRC on 29 July 2004 and holding the business owned and operated by the former government regulatory body of the port of Tianjin
“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)
“Tianjin ShengGang”	Tianjin ShengGang Container Technology Development Services Co., Ltd* 天津盛港集裝箱技術開發服務有限公司, a company incorporated in the PRC with limited liability and a 33%-controlled company of Tianjin Port Group
“Tianjin The East”	Tianjin The East Free Trade Port Huida Green Energy Co., Ltd* 天津東疆保稅港區匯達新能源有限公司, a company incorporated in the PRC with limited liability and a 50%-controlled company of Tianjin Port Holdings
“TPG Group Members”	the companies set out in the column headed “Suppliers” in the section headed “THE SUPPLIES AGREEMENTS” in this announcement

“Transactions” the transactions under the Supplies Agreement

“%” percent

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
YANG Zhijian
Chairman

Hong Kong, 1 June 2022

As at the date of this announcement, the Board comprises Mr. YANG Zhijian¹ (Chairman), Mr. ZHANG Dayu¹ (Managing Director), 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