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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

DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS – NEW FINANCIAL SERVICES MASTER AGREEMENT

NEW FINANCIAL SERVICES MASTER AGREEMENT

Reference is made to the announcement of the Company dated 30 October 2019 and the circular of the Company dated 20 November 2019 in relation to the Existing Financial Services Master Agreement entered into between the Company and COSCO SHIPPING on 30 October 2019, pursuant to which COSCO SHIPPING agreed to procure COSCO SHIPPING Finance to provide certain financial services to the Group from time to time for a term of 3 years expiring on 31 December 2022.

As the Existing Financial Services Master Agreement is due to expire, the Company entered into the New Financial Services Master Agreement with COSCO SHIPPING Finance on 30 August 2022, pursuant to which COSCO SHIPPING Finance will continue to provide certain financial services (including the Deposit Transactions, the Loan Transactions, the Clearing Transactions and the Other Financial Transactions) to the Group from time to time for a term of 3 years commencing on 1 January 2023 and ending on 31 December 2025.

IMPLICATIONS UNDER THE LISTING RULES

As COSCO SHIPPING is the ultimate controlling Shareholder indirectly holding 1,723,812,265 Shares (representing approximately 50.95% of the total number of the Shares in issue as at the date of this announcement) and COSCO SHIPPING Finance is a subsidiary of COSCO SHIPPING, COSCO SHIPPING Finance is a connected person of the Company. Accordingly, the transactions contemplated under the New Financial Services Master Agreement (including the Deposit Transactions, the Loan Transactions, the Clearing Transactions and the Other Financial Transactions) will constitute continuing connected transactions of the Company.

Non-exempt continuing connected transactions and discloseable transaction

As the highest applicable percentage ratio calculated based on the Proposed Deposit Transactions Caps for the Deposit Transactions (which constitute provision of financial assistance under Rule 14.04(1)(e) of the Listing Rules) exceeds 5% but is less than 25%, the Deposit Transactions will also constitute a discloseable transaction of the Company. Accordingly, the Deposit Transactions and the Proposed Deposit Transactions Caps will be

subject to the announcement requirements under Chapter 14 and Chapter 14A of the Listing Rules and the reporting, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Fully-exempt continuing connected transactions

As the Loan Transactions will be conducted on normal commercial terms or better and any loan granted by COSCO SHIPPING Finance to the Group under the New Financial Services Master Agreement will not be secured by assets of the Group, and no service fee will be charged by COSCO SHIPPING Finance in relation to the Clearing Transactions, the Loan Transactions and the Clearing Transactions will be fully exempt from the requirements under Chapter 14A of the Listing Rules pursuant to Rules 14A.90 and 14A.76(1) of the Listing Rules respectively. Relevant disclosures are included herein to keep the Shareholders apprised only.

As each of the applicable percentage ratios in respect of the Other Financial Transactions is expected to be less than 0.1%, the Other Financial Transactions constitute de minimis transactions pursuant to Rule 14A.76(1) of the Listing Rules and will be fully exempt from the requirements under Chapter 14A of the Listing Rules. Relevant disclosures are included herein to keep the Shareholders apprised only.

Circular

The Circular containing, among other things, (i) further information on the Deposit Transactions and the Proposed Deposit Transactions Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the SGM, is expected to be despatched to the Shareholders on or before 21 September 2022.

NEW FINANCIAL SERVICES MASTER AGREEMENT

Reference is made to the announcement of the Company dated 30 October 2019 and the circular of the Company dated 20 November 2019 in relation to the Existing Financial Services Master Agreement entered into between the Company and COSCO SHIPPING on 30 October 2019, pursuant to which COSCO SHIPPING agreed to procure COSCO SHIPPING Finance to provide certain financial services to the Group from time to time for a term of 3 years expiring on 31 December 2022.

As the Existing Financial Services Master Agreement is due to expire, the Company entered into the New Financial Services Master Agreement with COSCO SHIPPING Finance on 30 August 2022, the principal terms of which are set out below.

Date: 30 August 2022

Parties: (1) the Company; and
(2) COSCO SHIPPING Finance

Term: 1 January 2023 to 31 December 2025

Effective date: The New Financial Services Master Agreement will take effect upon the obtaining of the necessary approval of the New Financial Services

Master Agreement, the Deposit Transactions and/or the Proposed Deposit Transactions Caps by all competent authorities (including the board of directors and the general meetings of the shareholders) of the parties pursuant to the terms of the agreement, constitutional documents of the parties, applicable laws and regulations and the Listing Rules.

Based on the Proposed Deposit Transactions Caps, approval of the Independent Shareholders is required for the Deposit Transactions contemplated under the New Financial Services Master Agreement.

Subject matter: COSCO SHIPPING Finance will provide certain financial services to the Group, including the Deposit Transactions, the Loan Transactions, the Clearing Transactions and the Other Financial Transactions which COSCO SHIPPING Finance is permitted by the CBIRC to provide. The Group has the right to obtain financial services from other financial institutions, determine the transaction amount and when to withdraw deposits based on its own business needs.

Transactions and pricing principle:

The transaction terms of the financial services to be provided under the New Financial Services Master Agreement (including the interest receivable by the Group from COSCO SHIPPING Finance and the interest and service or handling fees payable by the Group to COSCO SHIPPING Finance) shall be on normal commercial terms, fair and reasonable and negotiated on arm's length basis, and shall be no less favourable to the Group than (a) the terms offered by other independent third party commercial banks and/or financial institutions to the Group for the same type of services and (b) the terms offered by COSCO SHIPPING Finance to other members of the COSCO SHIPPING Group with the same qualities in the same period of time, and in particular:

(A) Deposit Transactions

Transactions:

COSCO SHIPPING Finance will accept deposits from members of the Group.

Pricing terms:

The rate of interest which will accrue on any such deposits shall:

- (a) be no lower than the benchmark rate for the same type of deposits for the same term stipulated by the PBOC 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 other members of the COSCO SHIPPING Group with the same qualities for the same type of deposit services in the same period of time.

Historical transaction amounts:

The historical highest daily aggregate amount of deposits placed by the Group with COSCO SHIPPING Finance (including the amount of any interest accrued thereon) pursuant to the Existing Financial Services Master Agreement are set out below:

	<i>For the financial year ended 31 December 2020 RMB million (approximately)</i>	<i>For the financial year ended 31 December 2021 RMB million (approximately)</i>	<i>For the seven months ended 31 July 2022 RMB million (approximately)</i>
Highest daily aggregate deposits amount (including any interest accrued)	2,520	2,795	2,795

Proposed Deposit Transactions Caps and basis:

The estimated daily maximum aggregate amount of deposits to be placed by the Group with COSCO SHIPPING Finance (including the amount of any interest accrued thereon) for each of the financial years during the term of the New Financial Services Master Agreement and the basis of determination thereof are as follows:

	<i>For the financial year ending 31 December 2023 RMB million</i>	<i>For the financial year ending 31 December 2024 RMB million</i>	<i>For the financial year ending 31 December 2025 RMB million</i>
Proposed daily maximum aggregate deposits amount (including any interest accrued)	3,500	3,500	3,500

The Proposed Deposit Transactions Caps are determined with reference to:

- (a) the historical levels and changes in the Group's cash and bank deposits balances;
- (b) an anticipated increase in the level of cash of the Group arising from receipt of dividend income from investment during the term of the New Financial Services Master Agreement;
- (c) an anticipated increase in the number of members of the Group placing deposits with COSCO SHIPPING Finance, including new members following their acquisition by the Group;
- (d) the anticipated cash flow demand based on the current scale and operation of the business of the Group and the business plans of the Group for the next 3 years;
- (e) the need to maintain necessary capital expenditures in order to meet the Group's needs

arising from the expected year on year expansion of the scale and development of the business of the Group, which is anticipated to lead to a corresponding increase in demand for deposit services;

- (f) the expected increase in interest income generated from the Group's deposits balances with COSCO SHIPPING Finance in the next 3 years; and
- (g) the expected growing demand of the Group for deposit services provided by COSCO SHIPPING Finance as a result of its competitive edge over other financial services providers becoming more apparent arising from continuing improvement in its services which can better serve the development needs of the Group.

(B) Loan Transactions

Transactions:

COSCO SHIPPING Finance will provide loans to members of the Group, and no security over assets of the Group will be granted to secure such loans. Any loan which requires security over assets of the Group will fall outside the scope of the New Financial Services Master Agreement.

Pricing terms:

The rate of interest which will accrue on any loan shall:

- (a) be no higher than the maximum rate for the same type of loans stipulated by the PBOC from time to time;
- (b) make reference to market interest rates, being the interest rates charged by independent third party commercial banks and/or financial institutions providing the same type of loan 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 charged by COSCO SHIPPING Finance to other members of the COSCO SHIPPING Group with the same qualities for the same type of loan in the same period of time.

If any member of the Group is unable to repay the outstanding loans owing by the Group to COSCO SHIPPING Finance, COSCO SHIPPING Finance will have the right to offset such outstanding loans due from the Group against the deposits placed by the Group with COSCO SHIPPING Finance.

(C) Clearing Transactions

COSCO SHIPPING Finance will provide clearing services to members of the Group, for which no service fee will be charged for the time being.

(D) Other Financial Transactions

COSCO SHIPPING Finance will also provide foreign exchange services and other financial services which it is permitted by the CBIRC to provide to the Group. The charges for such services will:

- (a) be no higher than the fee standards prescribed by the PBOC or the CBIRC for the same type of financial services (where applicable);
- (b) make reference to the fees charged by independent third party commercial banks and/or financial institutions for the same type of financial services provided to the Group; and
- (c) make reference to the fees charged by COSCO SHIPPING Finance for the same type of financial services provided to other members of the COSCO SHIPPING Group with the same qualities.

Capital Risk Assessment and Control Measures

Under the New Financial Services Master Agreement, COSCO SHIPPING Finance shall:

- (a) in order to ensure the security of the funds of the members of the Group, ensure that its funds management information system (i) operates safely; (ii) has passed the security test in respect of the interface with online banking of commercial banks; (iii) has attained the security standards for commercial banks in the PRC; and (iv) has adopted the certification authority security certificate mode;
- (b) operate strictly in compliance with the risk monitoring indicators guidelines for finance companies issued by the CBIRC, and ensure that its main regulatory indicators such as gearing ratio and liquidity ratio comply with the requirements of the CBIRC and other relevant PRC laws and regulations;
- (c) within 3 business days after submission of each regulatory report to the CBIRC, submit a copy of the same to the Company's senior management and executive Directors for review;
- (d) (i) submit monthly financial statements to the Company's senior management and executive Directors for review on the fifth business day of the following month; and (ii) provide the Company with sufficient information on its various financial indicators and semi-annual and annual financial statements to enable the Group to monitor and review its financial conditions;
- (e) cooperate with the Company when it exercises its right to assign specialised organisations and personnel to proactively assess and supervise the risk of the funds deposited with COSCO SHIPPING Finance, and to provide the Company's auditors with records of transactions under the New Financial Services Master Agreement on reasonable advance notice so as to enable the Company's auditors to report on the matters contemplated under the New Financial Services Master Agreement as required by the Listing Rules;
- (f) obtain the Company's prior written consent if COSCO SHIPPING Finance makes any long-term equity investment;
- (g) notify the Company within 2 business days upon occurrence of the following events of COSCO SHIPPING Finance and to take measures to prevent the occurrence or aggravation of loss:
 - (i) impending or anticipated bank runs, failure to pay debts when due, funds liquidity problems, large customer loan default or large advance on guarantee, serious computer system failure, robbery or fraud;

- (ii) involvement of directors or senior management in criminal cases or similar material events;
- (iii) material change in its equity or corporate structure or business operations that affects its normal business;
- (iv) material operational risks which affect or may affect its normal operations;
- (v) loans owing by its shareholders overdue by over 6 months;
- (vi) serious payment crises experienced by COSCO SHIPPING Finance;
- (vii) the loss of COSCO SHIPPING Finance in a given year exceeds 30% of its registered capital or exceeds 10% of its registered capital for 3 consecutive years;
- (viii) non-compliance with any gearing ratio requirement under the Measures for the Administration of Finance Companies of Enterprise Groups;
- (ix) material administrative penalty and orders for rectification imposed by the CBIRC or other regulatory authorities;
- (x) judicial, legal or regulatory proceedings or investigations which have a material impact on its financial position; or
- (xi) other matters which may affect or create concerns for the security of the deposits of members of the Group.

In such event, COSCO SHIPPING Finance shall actively adjust its balance sheet, cooperate with the Company's risk management requirements in a timely manner, and effectively control and eliminate the risks, in order to ensure the security of the relevant assets of members of the Group, and members of the Group shall have the right to adopt appropriate measures (including early withdrawal of deposits or suspension of the making of further deposits) to safeguard their assets. In addition, in the event of emergencies such as payment difficulties of COSCO SHIPPING Finance, pursuant to the Measures for the Administration of Finance Companies of Enterprise Groups and the articles of association of COSCO SHIPPING Finance, COSCO SHIPPING Finance shall ensure COSCO SHIPPING (as the parent company of COSCO SHIPPING Finance) will increase the capital of COSCO SHIPPING Finance in accordance with its actual needs for resolving its payment difficulties; and

- (h) if any member of the Group cannot withdraw the deposits placed with COSCO SHIPPING Finance, COSCO SHIPPING Finance shall agree to the Group offsetting such deposit amounts against any amounts of outstanding loan owing by the Group to COSCO SHIPPING Finance.

The Board is of the view that the above capital risk control measures will allow the management of the Group to be informed and notified of any material risks which may harm the recoverability of the deposits placed by the Group with COSCO SHIPPING Finance.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE NEW FINANCIAL SERVICES MASTER AGREEMENT

The Group requires deposit services, loan services, clearing services and other financial services in its ordinary course of business which are currently also provided by independent third party commercial banks and/or financial institutions. Since the transaction terms of the financial services to be provided by COSCO SHIPPING Finance under the New Financial Services Master Agreement (including the interest receivable by the Group from COSCO SHIPPING Finance and the interest and service or handling fees payable by the Group to COSCO SHIPPING Finance) will be no less favourable to the Group than the terms offered by other independent third party commercial banks and/or financial institutions to the Group for the same type of services, this represents cost savings to the Group by potentially reducing the amount of interest costs, finance fees and charges payable as well as potential increase in interest income. The financial services to be provided by COSCO SHIPPING Finance under the New Financial Services Master Agreement are also diversified and can meet the business needs of the Group.

In relation to the deposit transactions under the Existing Financial Services Master Agreement, the interest income received by the Group from COSCO SHIPPING Finance during the years of 2020 and 2021 and the six months ended 30 June 2022 was approximately RMB21.48 million, approximately RMB22.06 million and approximately RMB14.96 million respectively, and when comparing to deposit rates offered and published by other independent third party commercial banks, additional interest income of approximately RMB1.40 million, approximately RMB3.40 million and approximately RMB3.40 million respectively is estimated to have been achieved.

In relation to the loan transactions under the Existing Financial Services Master Agreement, the interest costs paid by the Group to COSCO SHIPPING Finance during the year 2021 and the six months ended 30 June 2022 were approximately RMB33,000 (outstanding loan principal amount as at 31 December 2021 was approximately RMB344 million) and approximately RMB16.40 million (outstanding loan principal amount as at 30 June 2022 was approximately RMB1,654 million) respectively, and when comparing to the lending rates offered by other independent third party commercial banks, interest cost savings of approximately RMB11,000 and approximately RMB3.39 million respectively are estimated to have been achieved.

According to the unaudited financial statements of COSCO SHIPPING Finance for the six months ended 30 June 2022 prepared in accordance with the Accounting Standards for Business Enterprises of the PRC, COSCO SHIPPING Finance had cash and cash equivalents (including deposits with PBOC) of approximately RMB80,475 million as at 30 June 2022 and net interest income, profit before tax and net profit after tax for the six months ended 30 June 2022 of approximately RMB1,545 million, approximately RMB520 million and approximately RMB393 million respectively. Based on such unaudited financial statements, as at 30 June 2022, COSCO SHIPPING Finance met the benchmarks of the following regulatory indicators set by CBIRC:

Regulatory indicator	Benchmark	COSCO SHIPPING Finance
capital adequacy ratio	≥10.5%	11.63% ^(Note)
liquidity ratio	≥25%	65.87%
non-performing assets ratio	≤4%	0%
non-performing loans ratio	≤5%	0%

Note: Calculated based on the registered capital of COSCO SHIPPING Finance as at 30 June 2022, i.e. RMB6,000 million. Reference is made to the announcement of COSCO SHIPPING Holdings dated 19 May 2022 in relation to, inter alia, the capital increase in COSCO SHIPPING Finance. It is expected that the registered capital of COSCO SHIPPING Finance will be increased by RMB13,500 million to RMB19,500 million upon satisfaction of certain conditions. After such increase of registered capital, the capital structure of COSCO SHIPPING Finance will be further strengthened and enhanced.

With COSCO SHIPPING Finance being a member of the COSCO SHIPPING Group, the Group is also expected to benefit from COSCO SHIPPING Finance's better understanding of the operation and business needs of the Group which will allow more expedient and efficient services than those rendered by independent third party commercial banks and/or financial institutions. Any interest amounts in respect of the Deposit Transactions will be automatically paid into the relevant deposit accounts. Any interest amounts and fees payable in respect of the Loan Transactions and Clearing Transactions (if any) will be paid out of the Group's designated COSCO SHIPPING Finance account(s). The time required for COSCO SHIPPING Finance to examine and approve loans to be provided to the Group is also expected to be shorter than that required by independent third party commercial banks and/or financial institutions. In addition, the dual functions of COSCO SHIPPING Finance in deposit taking from, and lending to, the members of the Group may also facilitate the allocation of financial resources from members of the Group with surplus deposits to members of the COSCO SHIPPING Group.

Furthermore, any risk of the Group associated with the placing of deposits with COSCO SHIPPING Finance will be minimised by the capital risk control measures as set out in the section headed "Capital Risk Assessment and Control Measures" in this announcement.

The New Financial Services Master Agreement will provide the Group with additional means of financing and improve the efficiency of the use of its funds through favourable interest income and costs of financing. The New Financial Services Master Agreement will not preclude the Group from using the services of other financial institutions as it thinks fit and appropriate for the benefit of the Group. Where required, the Group will 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. In practice, the Group usually diversifies its cash deposits with a number of banks and financial institutions and obtains loans from different institutions for more competitive interest rates.

INTERNAL CONTROL PROCEDURES OF THE CONTINUING CONNECTED TRANSACTIONS UNDER THE NEW FINANCIAL SERVICES MASTER AGREEMENT

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 systems to ensure that the relevant continuing connected transactions between the Group and its connected persons are conducted in accordance with the terms of the New Financial Services Master Agreement, the Company will implement the following internal control arrangements:

- (a) The Finance Department of the Company will periodically monitor the market interest rates with independent third parties in respect of comparable types of financial services.
- (b) The Finance Department of the Company and each member of the Group has a designated person to record the entering into of continuing connected transactions.

- (c) The Finance Department of the Company will prepare a “Summary for Continuing Connected Transactions” each quarter and organise 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.
- (d) The Audit and Supervision Department will check the accounting records and supporting documents from time to time to ensure the prices are in compliance with the pricing principle under the New Financial Services Master Agreement.
- (e) Each relevant member of the Group shall monitor its own utilisation 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 3 months, such member shall inform the relevant personnel in the Finance Department and Legal Department of the Company immediately and the Company shall determine the appropriate actions to be taken, such as (i) require such member not to enter any further transactions which would cause the Designated Amount to be exceeded; (ii) increase the Designated Amount allocated to such member by reducing the Designated Amount(s) allocated to other member(s); or (iii) 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.

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 under the New Financial Services Master Agreement will be conducted on normal commercial terms and no less favourable to the Group than the terms available from independent third parties in accordance with the New Financial Services Master Agreement.

INFORMATION ON THE PARTIES

The Company and 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.

COSCO SHIPPING Finance

COSCO SHIPPING Finance is a non-bank financial institution approved and regulated by the PBOC and the CBIRC and is principally engaged in providing financial services to the COSCO SHIPPING Group in accordance with the laws and regulations regulating finance companies of enterprise groups. It is a non-wholly owned subsidiary of COSCO SHIPPING. COSCO SHIPPING is a company incorporated under the laws of the PRC, and is a state-owned enterprise wholly-owned and controlled by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. The scope of business of COSCO SHIPPING and its subsidiaries includes international shipping, ancillary business in international maritime transportation, import and export of goods and technologies, international freight agency business, leasing of self-owned vessels, sales of vessels, containers

and steel and maritime engineering.

IMPLICATIONS UNDER THE LISTING RULES

The Company

As COSCO SHIPPING is the ultimate controlling Shareholder indirectly holding 1,723,812,265 Shares (representing approximately 50.95% of the total number of the Shares in issue as at the date of this announcement) and COSCO SHIPPING Finance is a subsidiary of COSCO SHIPPING, COSCO SHIPPING Finance is a connected person of the Company. Accordingly, the transactions contemplated under the New Financial Services Master Agreement (including the Deposit Transactions, the Loan Transactions, the Clearing Transactions and the Other Financial Transactions) will constitute continuing connected transactions of the Company.

Non-exempt continuing connected transactions and discloseable transaction

As the highest applicable percentage ratio calculated based on the Proposed Deposit Transactions Caps for the Deposit Transactions (which constitute provision of financial assistance under Rule 14.04(1)(e) of the Listing Rules) exceeds 5% but is less than 25%, the Deposit Transactions will also constitute a discloseable transaction of the Company. Accordingly, the Deposit Transactions and the Proposed Deposit Transactions Caps will be subject to the announcement requirements under Chapter 14 and Chapter 14A of the Listing Rules and the reporting, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Fully-exempt continuing connected transactions

As the Loan Transactions will be conducted on normal commercial terms or better and any loan granted by COSCO SHIPPING Finance to the Group under the New Financial Services Master Agreement will not be secured by assets of the Group, and no service fee will be charged by COSCO SHIPPING Finance in relation to the Clearing Transactions, the Loan Transactions and the Clearing Transactions will be fully exempt from the requirements under Chapter 14A of the Listing Rules pursuant to Rules 14A.90 and 14A.76(1) of the Listing Rules respectively. Relevant disclosures are included herein to keep the Shareholders apprised only.

As each of the applicable percentage ratios in respect of the Other Financial Transactions is expected to be less than 0.1%, the Other Financial Transactions constitute de minimis transactions pursuant to Rule 14A.76(1) of the Listing Rules and will be fully exempt from the requirements under Chapter 14A of the Listing Rules. Relevant disclosures are included herein to keep the Shareholders apprised only.

COSCO SHIPPING Holdings

As COSCO SHIPPING is also the ultimate controlling shareholder of COSCO SHIPPING Holdings, which is in turn an intermediate controlling Shareholder and holding company of the Company, COSCO SHIPPING Finance is also a connected person of COSCO SHIPPING Holdings and accordingly the transactions under the New Financial Services Master Agreement will also constitute continuing connected transactions of COSCO SHIPPING Holdings, which will fall under the scope of COSCO SHIPPING Holdings' own financial services master agreement with COSCO SHIPPING Finance which covers transactions of COSCO SHIPPING Holdings and its subsidiaries with COSCO SHIPPING Finance.

It is understood that entering into or renewal of financial services master agreement between COSCO SHIPPING Holdings and COSCO SHIPPING Finance may have to be approved by the independent shareholders of COSCO SHIPPING Holdings under the Listing Rules and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. However, the New Financial Services Master Agreement is not conditional upon COSCO SHIPPING Holdings' obtaining of its independent shareholders' approval. Whether or not such approval is obtained by COSCO SHIPPING Holdings, the Group will cooperate with COSCO SHIPPING Holdings to assist its compliance with the Listing Rules and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange in relation to the transactions under the New Financial Services Master Agreement (including adherence to any applicable limits or annual caps which may apply to transactions of COSCO SHIPPING Holdings and its subsidiaries with COSCO SHIPPING Finance).

Circular

The Circular containing, among other things, (i) further information on the Deposit Transactions and the Proposed Deposit Transactions Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the SGM, is expected to be despatched to the Shareholders on or before 21 September 2022.

GENERAL

The Independent Board Committee, comprising 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, has been established to advise the Independent Shareholders in respect of the Deposit Transactions and the Proposed Deposit Transactions Caps, and on how to vote, taking into account the recommendation of the Independent Financial Advisers, in respect of such matters at the SGM. Altus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in such regard.

None of the Directors has a material interest in the New Financial Services Master Agreement and none of them was required to abstain from voting on the relevant Board resolutions of the Company. Nevertheless, Mr. YANG Zhijian has voluntarily abstained from voting on the relevant Board resolutions of the Company for the reason that he is an employee director of COSCO SHIPPING.

The Directors (other than Mr. YANG Zhijian who abstained from voting on the relevant Board resolutions of the Company, and in respect of the Deposit Transactions and the Proposed Deposit Transactions Caps, the members of the Independent Board Committee whose views thereon will be expressed in the Circular) have provided their views that the New Financial Services Master Agreement and the transactions contemplated thereunder are and will be in the ordinary and usual course of business of the Group and on normal commercial terms, and their terms and the Proposed Deposit Transactions Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“Board”	the board of Directors
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“Circular”	the circular to be despatched to the Shareholders in respect of the Deposit Transactions
“Clearing Transactions”	the transactions to be conducted pursuant to the New Financial Services Master Agreement as disclosed under the section headed “ <i>NEW FINANCIAL SERVICES MASTER AGREEMENT – (C) Clearing Transactions</i> ” of this announcement
“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)
“connected person”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“COSCO SHIPPING”	China COSCO SHIPPING Corporation Limited* (中國遠洋海運集團有限公司), the ultimate controlling Shareholder and a state-owned enterprise in the PRC
“COSCO SHIPPING Finance”	COSCO SHIPPING Finance Co., Ltd.* (中遠海運集團財務有限責任公司), a limited liability company established in the PRC and a non-wholly owned subsidiary of COSCO SHIPPING
“COSCO SHIPPING Group”	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
“COSCO SHIPPING Holdings”	COSCO SHIPPING Holdings Co., Ltd.* (中遠海運控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1919) and the A shares of which are listed on the Shanghai Stock Exchange in the PRC (Stock Code: 601919), and an intermediate controlling Shareholder and holding company of the Company
“Deposit Transactions”	the transactions to be conducted pursuant to the New Financial Services Master Agreement as disclosed under the section headed “ <i>NEW FINANCIAL SERVICES MASTER AGREEMENT – (A) Deposit Transactions</i> ” of this announcement

“Director(s)”	the director(s) of the Company
“discloseable transaction”	has the meaning ascribed to it under Chapter 14 of the Listing Rules
“Existing Financial Services Master Agreement”	the financial services master agreement dated 30 October 2019 entered into between the Company and COSCO SHIPPING for the provision of certain financial services by COSCO SHIPPING Finance to the Group for the period from 1 January 2020 to 31 December 2022
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board appointed to advise the Independent Shareholders in respect of the Deposit Transactions and the Proposed Deposit Transactions Caps, comprising 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 Financial Adviser” or “Altus Capital”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong), the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Deposit Transactions and the Proposed Deposit Transactions Caps
“Independent Shareholders”	the Shareholders who are not prohibited from voting under the Listing Rules to approve the Deposit Transactions contemplated under the New Financial Services Master Agreement and the Proposed Deposit Transactions Caps at the SGM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Transactions”	the transactions to be conducted pursuant to the New Financial Services Master Agreement as disclosed under the section headed “ <i>NEW FINANCIAL SERVICES MASTER AGREEMENT – (B) Loan Transactions</i> ” of this announcement
“New Financial Services Master Agreement”	the financial services master agreement dated 30 August 2022 entered into between the Company and COSCO SHIPPING Finance for the provision of certain financial services (including the Deposit Transactions, the Loan Transactions, the Clearing Transactions and the Other Financial Transactions) by COSCO SHIPPING Finance to the Group for the period from 1 January 2023 to 31 December 2025

“Other Financial Transactions”	transactions to be conducted pursuant to the New Financial Services Master Agreement (other than the Deposit Transactions, the Loan Transactions and the Clearing Transactions) as disclosed under the section headed “ <i>NEW FINANCIAL SERVICES MASTER AGREEMENT – (D) Other Financial Transactions</i> ” of this announcement
“PBOC”	People’s Bank of China (中國人民銀行), the central bank of the PRC
“percentage ratios”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
“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
“Proposed Deposit Transactions Caps”	the proposed daily maximum aggregate amount of deposits to be placed by the Group with COSCO SHIPPING Finance (including the amount of any interest accrued thereon) for each of the three years ending 31 December 2025
“SGM”	the special general meeting of the Company to be held for considering and, if thought fit, approving the Deposit Transactions contemplated under the New Financial Services Master Agreement and the Proposed Deposit Transactions Caps
“Share(s)”	share(s) in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“%”	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
YANG Zhijian
Chairman

Hong Kong, 30 August 2022

As at the date of this announcement, the Board comprises Mr. YANG Zhijian¹ (Chairman), Mr. ZHU Tao¹ (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