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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in COSCO SHIPPING Ports Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)

### CONTINUING CONNECTED TRANSACTIONS

**Independent Financial Adviser  
to the Independent Board Committee and the Independent Shareholders**

**ALTUS CAPITAL LIMITED**

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A letter from the Board is set out on pages 4 to 12 of this circular and a letter from the Independent Board Committee is set out on page 13 of this circular. A letter from Altus Capital Limited, being the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, is set out on pages 14 to 28 of this circular.

A notice convening the SGM to be held at 47/F, COSCO Tower, 183 Queen's Road Central, Hong Kong at 3:00 p.m. on Friday, 20 December 2024 is set out on pages 34 to 35 of this circular. Whether or not you are able to attend the SGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch registrar and transfer office, Tricor Secretaries Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event, not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

**Shareholders of the Company who are entitled to vote at the meeting are those whose names appear as Shareholders on the register of members of the Company as at the close of business on Monday, 16 December 2024. In order to be entitled to vote at the meeting, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong branch registrar and transfer office, Tricor Secretaries Limited, for registration no later than 4:30 p.m. on Monday, 16 December 2024.**

3 December 2024

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This circular and the accompanying form of proxy, in both English and Chinese versions, are available on the Company's website at <https://ports.coscoshipping.com> (the "**Company Website**") and on the website of the Hong Kong Exchanges and Clearing Limited at <https://www.hkexnews.hk>. To the extent that there are any inconsistencies between the English version and the Chinese version of this circular, the English version shall prevail.

Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the "**Corporate Communications**") via the Company Website and who for any reason have difficulty in receiving or gaining access to the circular and the form of proxy posted on the Company Website will promptly upon request be sent the circular and the form of proxy in printed form free of charge. Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) and/or language(s) (either English only or Chinese only or both languages) of Corporate Communications.

Shareholders may send their request to receive the circular and the form of proxy in printed form, and/or to change their choice of the means of receipt and/or language(s) of Corporate Communications by notice in writing to the Company's Hong Kong Registrar and Transfer Office, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by sending an email to the share registrar of the Company in Hong Kong at [coscoshippport-ecom@hk.tricorglobal.com](mailto:coscoshippport-ecom@hk.tricorglobal.com).

Shareholders who have chosen to receive printed copy of the Corporate Communications in either English or Chinese version will receive both English and Chinese versions of this circular and the accompanying form of proxy since both languages are bound together into one booklet and sheet respectively.

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## DEFINITIONS

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

“associate(s)”	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(s)”	has the meaning ascribed thereto in 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 Continuing Connected Transactions”	transactions to be conducted under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement
“COSCO SHIPPING Group”	COSCO SHIPPING, its subsidiaries and associates, but which for the purpose of this circular, excludes the Group
“COSCO SHIPPING Shipping Services and Terminal Services Master Agreement”	the agreement dated 30 October 2024 entered into between the Company and COSCO SHIPPING in relation to the provision of shipping and terminal related services
“CSH”	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
“Director(s)”	the director(s) of the Company
“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
“Independent Board Committee”	an independent committee of the Board 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, being independent non-executive Directors

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## DEFINITIONS

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“Independent Financial Adviser”	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 SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement which require Independent Shareholders’ approval
“Independent Shareholders”	Shareholders who are not prohibited or required to abstain from voting under the Listing Rules to approve the relevant transaction(s) at a general meeting of the Company
“Latest Practicable Date”	28 November 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“OCEAN Alliance”	an alliance of shipping companies comprising COSCO SHIPPING Lines (a subsidiary of COSCO SHIPPING), CMA CGM S.A., Evergreen Line and Orient Overseas Container Line Limited (another subsidiary of COSCO SHIPPING)
“percentage ratios”	percentage ratios as defined under rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held for considering and approving, if appropriate, the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and the transactions to be contemplated thereunder
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“Tianjin Port Container Terminal”	Tianjin Port Container Terminal Co., Ltd.* (天津港集裝箱碼頭有限公司)
“%”	percentage

*For the purposes of this circular, the exchange rate of RMB1 = HK\$1.108906 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amounts have been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.*

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

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## LETTER FROM THE BOARD

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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)

**Directors:**

Mr. ZHU Tao<sup>1</sup> (*Chairman and Managing Director*)

Mr. ZHANG Wei<sup>2</sup>

Mr. MA Xianghui<sup>2</sup>

Dr. FAN HSU Lai Tai, Rita<sup>3</sup>

Mr. Adrian David LI Man Kiu<sup>3</sup>

Mr. LAM Yiu Kin<sup>3</sup>

Prof. CHAN Ka Lok<sup>3</sup>

Mr. YANG Liang Yee Philip<sup>3</sup>

**Registered Office:**

Clarendon House

2 Church Street

Hamilton, HM 11

Bermuda

**Principal Place of Business:**

49/F, COSCO Tower

183 Queen's Road Central

Hong Kong

**General Counsel & Company Secretary:**

Ms. HUNG Man, Michelle

<sup>1</sup> Executive Director

<sup>2</sup> Non-executive Director

<sup>3</sup> Independent Non-executive Director

3 December 2024

*To the Shareholders*

Dear Sir or Madam,

### CONTINUING CONNECTED TRANSACTIONS

#### 1. INTRODUCTION

The Board refers to the announcement of the Company dated 30 October 2024 whereby it was announced that, among others, the transactions under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement entered into by the Company with COSCO SHIPPING on 30 October 2024 for a term of 3 years from 1 January 2025 to 31 December 2027 constitute continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The purposes of this circular are:

- (i) to provide you with further details of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, the COSCO SHIPPING Continuing Connected Transactions and the proposed annual caps;
- (ii) to provide you with the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement; and

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## LETTER FROM THE BOARD

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- (iii) to give the Shareholders the notice convening the SGM at which an ordinary resolution will be proposed to consider and approve, if appropriate, the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, the COSCO SHIPPING Continuing Connected Transactions and the proposed annual caps.

### 2. THE COSCO SHIPPING CONTINUING CONNECTED TRANSACTIONS

The principal terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and the COSCO SHIPPING Continuing Connected Transactions are summarised as follows:

<b>Date:</b>	30 October 2024
<b>Parties:</b>	The Company  COSCO SHIPPING
<b>Term:</b>	1 January 2025 to 31 December 2027
<b>Condition precedent:</b>	Conditional upon the approval of the Independent Shareholders being obtained on or before 31 December 2024.
<b>Nature of transaction:</b>	(a) Provision of terminal services by the relevant members of the Group to members of the COSCO SHIPPING Group, including but not limited to the handling, storage, stevedoring, transshipment, maintenance of cargoes and provision of container storage space and terminal facilities, and other ancillary services.  (b) Provision of shipping services by the relevant members of the COSCO SHIPPING Group to members of the Group, including but not limited to the provision of manpower services, cargo handling services, logistics services, purchase of materials, supply of fuel and oil products (including but not limited to diesel oil, fuel oil, lubricating oil, hydraulic oil and transmission oil) and subsidy on port construction fee, and other ancillary services.

The relevant parties shall enter into a separate written contract in respect of the COSCO SHIPPING Continuing Connected Transactions in a form and on terms to be agreed between the relevant parties from time to time but on the basis that such contract shall always be subject to the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement.

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## LETTER FROM THE BOARD

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### Pricing:

The terms upon which the services to be provided by members of the COSCO SHIPPING Group to members of the Group shall be no less favourable to the relevant members of the Group than the terms obtained by the relevant members of the Group from independent third parties for similar types of services; and the terms upon which the services to be provided by members of the Group to members of the COSCO SHIPPING Group shall be no less favourable to the relevant members of the Group than the terms offered by members of the Group to independent third parties for similar types of services.

The fees charged shall be determined with reference to the prevailing market price, being the price offered to or charged by independent third parties in respect of similar types of services in the ordinary course of business in the same or nearby service area and subject to normal commercial terms, and in accordance with the principle of fairness and reasonableness.

### Historical transaction amounts:

The transactions under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement will be of a similar nature to those under the existing agreement dated 29 October 2021 entered into between the Company and COSCO SHIPPING in relation to the provision of shipping and terminal related services. The historical amounts for such transactions were as follows:

	For the year ended 31 December 2022	For the year ended 31 December 2023	For the eight months ended 31 August 2024
(a) Aggregate amount received by the Group from the COSCO SHIPPING Group	RMB2,910,624,000 (approximately HK\$3,227,609,000)	RMB3,104,290,000 (approximately HK\$3,442,366,000)	RMB1,874,488,000 (approximately HK\$2,078,631,000)
(b) Aggregate amount paid by the Group to the COSCO SHIPPING Group	RMB88,278,000 (approximately HK\$97,893,000)	RMB91,145,000 (approximately HK\$101,072,000)	RMB65,039,000 (approximately HK\$72,123,000)



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## LETTER FROM THE BOARD

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### Proposed annual caps and basis of determination:

The proposed annual caps for the transactions under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and the basis of determination thereof are as follows:

		For the year ending 31 December		
		2025	2026	2027
(a)	Aggregate amount to be received by the Group from the COSCO SHIPPING Group	RMB5,101,705,000 (approximately HK\$5,660,000,000)	RMB6,742,739,000 (approximately HK\$7,480,000,000)	RMB7,389,593,000 (approximately HK\$8,200,000,000)
(b)	Aggregate amount to be paid by the Group to the COSCO SHIPPING Group	RMB312,990,000 (approximately HK\$350,000,000)	RMB342,376,000 (approximately HK\$380,000,000)	RMB374,283,000 (approximately HK\$420,000,000)

The operating capacity of the Group is expected to expand further as the Group plans to continue to extend its international footprint with an aim to further enhance the global terminal network and, at the same time, continue to explore investment opportunities provided by port consolidation in the PRC by capitalising on the unique advantages of the COSCO SHIPPING Group. As the COSCO SHIPPING Group has the world's largest shipping fleet and third largest container fleet, the Group can enjoy a steady source of business and has a strong competitive edge in uncovering and bidding for investment opportunities. It is anticipated that there would be an increase in the calling by the shipping fleets of COSCO SHIPPING Group at those terminals that are going to be added to the terminal network of the Group, which would result in an increasing demand for the services contemplated under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement.

The estimated annual caps for the aggregate amount to be received by the Group from the COSCO SHIPPING Group were determined with reference to the historical transaction amounts and their growth rates, the anticipated inflation rate, the existing scale and operations of the businesses of the Group, the anticipated growth and development of such businesses and the anticipated demand for such services, including (i) the expanded scale and operations of the business of the Group taking into account the various acquisitions of new terminals completed in the past years including, among others, the acquisition of further equity interests in Tianjin Port Container Terminal, a non-wholly-owned subsidiary of the Company, as well as the Group's overall plans to continue to extend its international footprint; (ii) the possibility of acquisition of new terminals and the new berths and newly developed terminals of the Group expected to come into operation over the next three years including the growth expected from the acquisition of equity interests mentioned under (i) above and the Group's continued plans to expand its ports at key locations around the world (for example, in Southeast Asia, Africa and South America) in order to build an integrated terminal network that offers a linkage effect on costs, services and synergies; (iii) the completion of potential acquisition of terminals by the Group over the next three years; (iv) the expected increase in the COSCO SHIPPING Group's fleet calling at the terminals of the Group as a result of the co-operation continuing to be achieved with the COSCO SHIPPING Group and the OCEAN Alliance, of which the COSCO SHIPPING Group is a member, along with other members such as CMA CGM S.A. and Evergreen Marine (Taiwan) Ltd. The OCEAN Alliance allows each member of the alliance to offer competitive products and comprehensive service networks to other members of the OCEAN Alliance. This allows members of the OCEAN Alliance access to terminals of the Group, such as through introducing the shipping routes of CMA CGM

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## LETTER FROM THE BOARD

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S.A. and Evergreen Marine (Taiwan) Ltd at the Group's terminals, and the OCEAN Alliance is a major customer at the Group's terminals. The co-operation between OCEAN Alliance members will benefit each OCEAN Alliance member through enabling them to bring competitive sailing frequencies and extensive port coverage to its customers; and (v) a buffer of not more than 5% to cater for the development plans of the Group as mentioned above and the inherent volatility of the business in the shipping and container-related industry. Given that this buffer only makes up a small proportion of the overall annual cap and will allow the Company important flexibility when faced with global economic shifts and volatility in the shipping industry, the Board is of the view that including this buffer in the estimated annual caps is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The estimated annual caps for the aggregate amount to be paid by the Group to the COSCO SHIPPING Group were determined with reference to (i) the corresponding anticipated increase in fuel consumption as a result of the increase in business volume; (ii) the anticipated increase in the volume of containers handled by existing terminals; (iii) the existing demand for such services and the anticipated increase in the demand for such services, taking into account the above mentioned factors including the anticipated growth and development of the scale and operations of the businesses of the Group and a buffer of not more than 5% to cater for the development plans of the Group as mentioned above and the inherent volatility of the business in the shipping and container-related industry. Given that this buffer only makes up a small proportion of the overall annual cap and will allow the Company important flexibility when faced with global economic shifts and volatility in the shipping industry, the Board is of the view that including this buffer in the estimated annual caps is fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (iv) the projected increases of the annual caps for the years ending 31 December 2026 and 2027 as compared to those of the preceding years, in order to account for (a) higher projected terminal cost expenditure each year in relation to the proposed acquisition of a container terminal; and (b) the expected increase in international shipping fees each year due to the strategic direction of the Company to globalise and promote cross-regional cooperation with subsidiaries of the COSCO SHIPPING Group, including the development of e-commerce logistics service and the promotion of the full-chain logistics service.

### **Connected relationship:**

COSCO SHIPPING is the ultimate controlling Shareholder. Accordingly, members of the COSCO SHIPPING Group are connected persons of the Company.

### **Listing Rules implications:**

Since one or more of the applicable percentage ratios in respect of the proposed annual caps for the transactions under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement exceeds 5%, the transactions constitute continuing connected transactions of the Company and are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **3. PRICING POLICIES**

In relation to the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, the Group will generally observe the following pricing policies:

- (i) Adopt the mandatory prices prescribed by the state or the administrative authorities.
- (ii) Where there is no mandatory price prescribed by the state or the administrative authorities, based on the published reference rates which the market commonly relies on.

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## LETTER FROM THE BOARD

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- (iii) Where there is no published reference rates, based on the relevant market prices (being the prices at which comparable types of products and/or services are provided by or to independent third parties in the same area in the ordinary course of business by (where practicable) referring to at least two other contemporaneous transactions or quotations with independent third parties for similar products and/or services in similar quantities to ensure that the terms offered to or by the relevant connected persons are no less favourable to the Group than those available to or from independent third parties).
- (iv) In the unlikely situation where there is no relevant market price, based on the costs of the products plus an appropriate margin which cannot be finalised at the present date but which would be determined with reference to, among others, the inflation rate and valuation conducted by independent valuer (where appropriate). Given that such pricing mechanism is in line with the market practice of the shipping and terminal services industry and the systems in place to refer to factors such as the inflation rate and judgement from an independent valuer, the Directors consider that such pricing mechanism is fair and reasonable and in the interests of the Company and the Shareholders as a whole.
- (v) In the unlikely situation where the costs of the products plus an appropriate margin cannot be determined, based on any other pricing methodology which complies with the relevant requirements under the Listing Rules, and according to the following procedures: (a) the Company will follow its internal governance protocols to determine an internal charging standard with references to the industry standard, market condition, the Company's business strategy and the principle of fairness and reasonableness; (b) the Company's business related divisions will negotiate with COSCO SHIPPING based on the above mentioned internal charging standard; and (c) such divisions will review the final price agreed with COSCO SHIPPING to ensure the price is fair and reasonable and no less favourable to the Group than prices available to or from independent third parties.

#### **4. REASONS FOR AND BENEFITS OF THE COSCO SHIPPING CONTINUING CONNECTED TRANSACTIONS**

The COSCO SHIPPING Continuing Connected Transactions are part of or related to the principal business activities of the Group. Building on the brand philosophy of “The Ports for ALL”, the Company has established its corporate mission of “Connecting Different Worlds” and is committed to maintaining a customer-centric approach to continuously improve the service and capacity of its global network and enhance the strategic positioning of key node ports and optimise logistics resource distribution. Leveraging ports as a conduit to connect global shipping services and serve global trade, the Company is dedicated to establishing a platform for mutual benefits and shared successes for all stakeholders involved with a vision of becoming “the leading global port logistics service provider with a customer-oriented focus”.

Although the Group itself is one of the leading terminal service providers, it also relies on the provision of shipping services by other prominent and experienced service providers to complement its operation. Accordingly, given (i) the COSCO SHIPPING Group is an experienced shipping service provider which the Group can fully exploit the unique competitive advantages arising from COSCO SHIPPING's container fleet and seizing significant market share within the OCEAN Alliance; and (ii) the business relationship between the Group and the COSCO SHIPPING Group has been well established, the COSCO SHIPPING Continuing Connected Transactions will and are expected to either increase the revenue of the Group, and/or provide the Group with overall business and operational convenience and synergy. In light of the above, the Board believes that it is in the mutual interests of the COSCO Shipping Group and the Group to continue this long-standing business relationship.

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## LETTER FROM THE BOARD

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None of the Directors has any material interest in the COSCO SHIPPING Continuing Connected Transactions, and therefore none of the Directors was required to abstain from voting on the Board resolution approving the COSCO SHIPPING Continuing Connected Transactions.

### 5. 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 systems to ensure that the transactions between the Group and members of the COSCO SHIPPING Group are conducted in accordance with the terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, the Company will implement the following internal control arrangements:

- (i) The commercial department of each subsidiary of the Company will monitor on a monthly basis the market conditions and monitor the prevailing market prices (where appropriate) including the pricings of contemporaneous transactions with independent third parties in respect of comparable types of products and/or services in the same or nearby area in the ordinary course of business. In respect of the provision of services by the relevant members of the COSCO SHIPPING Group under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, the Group shall centralize purchases to obtain discounts.
- (ii) The Finance Division of the Company and each subsidiary of the Company has a designated person to record the entering into of continuing connected transactions.
- (iii) The Finance Division of the Company will prepare a "Summary for Continuing Connected Transactions" each quarter and organize meetings regularly to review and assess whether the relevant continuing connected transactions are conducted in accordance with the terms and pricing policies of their respective continuing connected transaction master agreements. After the "Summary for Continuing Connected Transactions" is reviewed by the relevant divisions of the Company and the management, it will be submitted to the Audit Committee of the Company and the Board for further review.
- (iv) The Audit and Supervision Division of the Company will monitor the risks relating to continuing connected transactions by reviewing the minutes of important meetings as well as accounting records to identify if the Group has any undisclosed connected transactions.
- (v) The Audit and Supervision Division 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 the audited entities' processes for identification of connected persons and their 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 pricing policies under the terms of their respective continuing connected transaction master agreements.

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## LETTER FROM THE BOARD

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- (vi) Each relevant member of the Group shall monitor its own utilization 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 three months, such member shall inform the relevant personnel in the Finance Division and Legal & Compliance Division of the Company immediately and the Company shall determine the appropriate actions to be taken, such as (a) requiring such member not to enter into any further transactions which would cause the Designated Amount to be exceeded; (b) increasing the Designated Amount allocated to such member by reducing the Designated Amount(s) allocated to other member(s); or (c) 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 above methods and procedures can ensure that the pricing and other contract terms for the COSCO SHIPPING Continuing Connected Transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and will be conducted on terms no less favourable to the Group than the terms available from independent third parties for the relevant transactions. In particular, the Board considers that the frequency of monitoring described in (i) above is sufficient for such purposes because the management conducts weekly and monthly meetings with different divisions of the Company (including the Sales & Marketing Division of the Company) whereby the market conditions are reviewed.

### 6. INDEPENDENT BOARD COMMITTEE

An 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, all being independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement are and will be on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote, taking into account the recommendation of the Independent Financial Adviser. Altus Capital Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

### 7. PRINCIPAL ACTIVITIES OF THE PARTIES

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 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.

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## LETTER FROM THE BOARD

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### 8. SGM

In view of the interests of COSCO SHIPPING in the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, China COSCO (Hong Kong) Limited and COSCO Investments Limited, which together were interested in an aggregate of approximately 71.55% of the total issued share capital of the Company as at the Latest Practicable Date, are required to abstain from voting on the resolution to be proposed at the SGM to approve the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement that is required to abstain from voting on the resolution to be proposed at the SGM to approve the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement.

A notice convening the SGM to be held at 3:00 p.m. on Friday, 20 December 2024, at 47/F Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong is set out on pages 34 to 35 of this circular.

A proxy form for use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM or any adjournment thereof, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch registrar and transfer office, Tricor Secretaries Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof if you so wish.

### 9. RECOMMENDATION

The Directors (including members of the Independent Board Committee whose recommendations are contained in the section headed "Letter from the Independent Board Committee" of this circular), consider that the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement is and will be on normal commercial terms and that terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### 10. ADDITIONAL INFORMATION

Your attention is drawn to:

- (a) the letter from the Independent Board Committee, the text of which is set out on page 13 of this circular;
- (b) the letter from the Independent Financial Adviser, the text of which is set out on pages 14 to 28 of this circular; and
- (c) the additional information set out in the appendix of this circular.

Yours faithfully,  
For and on behalf of  
**COSCO SHIPPING Ports Limited**  
**ZHU Tao**  
*Chairman and Managing Director*



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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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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)

3 December 2024

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS**

The Independent Board Committee has been established to advise you in connection with the COSCO SHIPPING Continuing Connected Transactions, details of which are set out in the letter from the Board contained in the circular to the Shareholders dated 3 December 2024 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein, unless the context otherwise requires.

Having considered the terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, and the advice of the Independent Financial Adviser in relation thereto as set out on pages 14 to 28 of the Circular, we are of the opinion that the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and the COSCO SHIPPING Continuing Connected Transactions are and will be on normal commercial terms and in the ordinary and usual course of business of the Group, their terms are fair and reasonable and they are in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and the transactions thereunder (including the proposed annual caps for the COSCO SHIPPING Continuing Connected Transactions for the period from 1 January 2025 to 31 December 2027).

Yours faithfully,  
Independent Board Committee of  
**COSCO SHIPPING Ports Limited**

**FAN HSU Lai Tai, Rita**

**Adrian David LI Man Kiu**

**LAM Yiu Kin**

**CHAN Ka Lok**

**YANG Liang Yee Philip**

*Independent non-executive Directors*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter of advice from Altus Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, the transactions contemplated thereunder and the proposed annual caps related thereto, which has been prepared for the purpose of incorporation in the Circular.*

# ALTUS.

Altus Capital Limited  
21 Wing Wo Street  
Central, Hong Kong

3 December 2024

*To the Independent Board Committee and the Independent Shareholders*

**COSCO SHIPPING Ports Limited**  
49/F, COSCO Tower  
183 Queen's Road Central  
Hong Kong

Dear Sirs,

### CONTINUING CONNECTED TRANSACTIONS

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, the transactions contemplated thereunder and the proposed annual caps related thereto, details of which are set out in the “Letter from the Board” contained in the circular dated 3 December 2024 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the circular of the Company dated 19 November 2021, in relation to, among other things, the continuing connected transactions under the existing agreement dated 29 October 2021 between the Company and COSCO SHIPPING in relation to the provision of shipping and terminal services (the “**2021 Master Agreement**”). As the 2021 Master Agreement will expire on 31 December 2024 and the Group intends to continue with such arrangements, on 30 October 2024, the Company entered into the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement with COSCO SHIPPING for a term of three years from 1 January 2025 to 31 December 2027, which shall be subject to the respective proposed annual caps.

#### LISTING RULES IMPLICATIONS

As COSCO SHIPPING is the ultimate controlling Shareholder, members of the COSCO SHIPPING Group are connected persons of the Company. Since one or more of the applicable percentage ratios in respect of the proposed annual caps for the transactions under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement exceeds 5%, the transactions constitute continuing connected transactions of the Company and are subject to the reporting, annual review, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee consisting of all the independent non-executive Directors, namely 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 as to (i) whether the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable; (iii) whether the proposed annual caps in relation to the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement are fair and reasonable; and (iv) how the Independent Shareholders should vote in respect of the resolution to be proposed at the SGM after taking into account the recommendation from the Independent Financial Adviser.

### THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable; (iii) whether the proposed annual caps in relation to the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement are fair and reasonable; and (iv) how the Independent Shareholders should vote in respect of the resolution to be proposed at the SGM.

We acted as the independent financial adviser for the Company with regards to the continuing connected transactions in relation to the new financial services master agreement, details of which were set out in the circular of the Company dated 21 September 2022. Save for the aforesaid transactions, we have not acted as an independent financial adviser or financial adviser for the Company's other transactions in the last two years prior to the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that remuneration for our engagement to opine on the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, the transactions contemplated thereunder and the proposed annual caps related thereto is at market level and not conditional upon successful passing of the resolution to be proposed at the SGM, and that our engagement is on normal commercial terms, we are independent of the Company.

### BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement; (ii) the 2021 Master Agreement; (iii) the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”); (iv) the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”); and (v) other information as set out in the Circular.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have also relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Group (the “**Management**”). We have assumed that all the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and will continue to be so up to the date of SGM. The Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading.

We consider that we have been provided with, and have reviewed, sufficient information to reach an informed view and provide a reasonable basis for our opinion. We have not, however, conducted an independent investigation into the business, financial conditions and affairs or future prospects of the Group.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

#### 1. Information of the Company and COSCO SHIPPING

##### *The Company*

The Company is a leading port logistics service provider in the world and its terminal portfolio covers the five main port regions and the middle and lower reaches of the Yangtze River in China, Europe, the Mediterranean, the Middle East, Southeast Asia, South America and Africa. According to information available to us, as at 30 June 2024, the Company and its subsidiaries operated and managed 60 berths at 15 terminals globally. In the avoidance of doubt, the above statistics exclude the berths and terminals operated and managed by the Company’s associates and joint ventures.

##### *COSCO SHIPPING*

COSCO SHIPPING 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.

**2. The COSCO SHIPPING Shipping Services and Terminal Services Master Agreement**

***2.1. Reasons for and benefits of entering into the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement***

Taking into account the principal activities of the Group as described in the paragraph headed “1. Information of the Company and COSCO SHIPPING” above, we are of the view that it is in the ordinary and usual course of business of the Group to (i) provide terminal services to members of the COSCO SHIPPING Group, which include container handling and storage, transshipment, stevedoring, the provision of terminal facilities and other ancillary services, as the Group manages and operates a vast portfolio of terminals worldwide; and (ii) procure shipping services from members of the COSCO SHIPPING Group, such as the supply of fuel and oil products, cargo handling services, logistics services, manpower services, and other ancillary services to complement the Group’s terminal operations. In particular, we noted that the aforementioned services provided to and procured from members of the COSCO SHIPPING Group align with the Company’s mission and vision of becoming the leading global port logistics service provider and connecting different worlds.

As the 2021 Master Agreement will expire on 31 December 2024, the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement represents a continuation of the existing arrangements in respect of the shipping and terminal services procured from and provided to members of the COSCO SHIPPING Group respectively during the Group’s ordinary and usual course of business.

We note from the Management that the Group has procured shipping services from and provided terminal services to members of the COSCO SHIPPING Group for over 15 and 15 years respectively with consecutive renewals. With such business relationship and proven track record in business transactions between the Group and the COSCO SHIPPING Group, we note from the Management that the shipping services provided by members of the COSCO SHIPPING Group have been always of high quality with relatively competitive prices; while the provision of terminal services to members of the COSCO SHIPPING Group have brought a stable revenue stream to the Group. Therefore, in view of the benefits that can be brought to the Group as elaborated above, the continuity of the business relationships with the COSCO SHIPPING Group is beneficial to the long-term development of the Group.

Overall, the Management believes and we concur that the transactions contemplated under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement will continue to be conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *2.2. Principal terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement*

The principal terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement are summarised below. For details, please refer to paragraph headed “2. The COSCO SHIPPING Continuing Connected Transactions” in the “Letter from the Board” of the Circular.

<b>Date:</b>	30 October 2024
<b>Parties:</b>	The Company  COSCO SHIPPING
<b>Term:</b>	1 January 2025 to 31 December 2027
<b>Nature of transaction:</b>	(a) Provision of terminal services by the relevant members of the Group to members of the COSCO SHIPPING Group, including but not limited to the handling, storage, stevedoring, transshipment, maintenance of cargoes and provision of container storage space and terminal facilities, and other ancillary services.  (b) Provision of shipping services by the relevant members of the COSCO SHIPPING Group to members of the Group, including but not limited to the provision of manpower services, cargo handling services, logistics services, purchase of materials, supply of fuel and oil products (including but not limited to diesel oil, fuel oil, lubricating oil, hydraulic oil and transmission oil) and subsidy on port construction fee, and other ancillary services.
<b>Pricing:</b>	The terms upon which the services to be provided by members of the COSCO SHIPPING Group to members of the Group shall be no less favourable than the terms obtained by the relevant members of the Group from independent third parties for similar types of services; and the terms upon which the services to be provided by members of the Group to members of the COSCO SHIPPING Group shall be no less favourable than the terms offered by members of the Group to independent third parties for similar types of services.  The fees charged shall be determined with reference to the prevailing market price, being the price offered to or charged by independent third parties in respect of similar types of services in the ordinary course of business in the same or nearby service area and subject to normal commercial terms, and in accordance with the principle of fairness and reasonableness.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Our view

The principal terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement are substantially the same as those under the 2021 Master Agreement.

We understand that the Group has established internal control mechanisms to ensure the pricing terms offered by/to members of the COSCO SHIPPING Group in relation to the shipping services and terminal services are fair, reasonable and no less favourable to the Group than those available from/offered to independent third parties. In this regard, we have obtained the full list of shipping services and terminal services entered into between the Group and the COSCO SHIPPING Group during the years ended 31 December 2022 and 2023 and the eight months ended 31 August 2024 respectively and selected a total of 30 samples of shipping services transactions (the “**Shipping Services Samples**”) and 30 samples of terminal services transactions (the “**Terminal Services Samples**”) respectively for review. These Shipping Services Samples and Terminal Services Samples are selected based on (i) top five shipping services and terminal services transactions; and (ii) five randomly selected shipping services and terminal services transactions, for each of the years ended 31 December 2022 and 2023 and the eight months ended 31 August 2024 respectively. We have compared the pricing terms of the Shipping Services Samples and Terminal Services Samples with similar services offered by/to independent third party suppliers/customers corresponding to each of the Shipping Services Samples and Terminal Services Samples provided by the Company and noted that the pricing terms offered by/to members of the COSCO SHIPPING Group were no less favourable to the Group than those offered by/to independent third party suppliers/customers. Considering that the Shipping Services Samples and Terminal Services Samples we obtained and reviewed (i) cover the period of the 2021 Master Agreement; (ii) include various types of services procured from/provided to members of the COSCO SHIPPING Group; and (iii) represent more than 44% of terminal services procured from the COSCO SHIPPING Group for each of the years ended 31 December 2022 and 2023 and the eight months ended 31 August 2024, as well as more than 70% of the shipping services provided to the COSCO SHIPPING Group for the same periods, we believe that the sample size is sufficient and representative to illustrate that the Group’s internal control has been adhered to and comply with the aforementioned pricing policy for the shipping services and terminal services transactions conducted with the COSCO SHIPPING Group. We also believe that there exist procedures to ensure the transactions contemplated under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement will be continuously carried out on normal commercial terms and with reference to the aforementioned pricing policy and accordingly, will be fair and reasonable.

In light of the above, we consider that the terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement are on normal commercial terms and are fair and reasonable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2.3. Proposed annual caps

#### 2.3.1. Existing annual caps and historical variances

The following table summarises (i) the historical transaction amounts of terminal services and shipping services between the Group and the COSCO SHIPPING Group; and (ii) the corresponding existing annual caps, for each of the two years ended 31 December 2023 and the eight months ended 31 August 2024 respectively.

	For the year ended 31 December		For the eight months ended
	2022	2023	31 August
	<i>RMB</i>	<i>RMB</i>	<i>2024</i> <i>RMB</i>
<b>(a) Terminal services</b>			
Aggregate amount received by the Group from the COSCO SHIPPING Group	2,910,624,000	3,104,290,000	1,874,488,000
Annual caps	3,750,000,000	4,220,000,000	4,870,000,000 (for the year ending 31 December 2024)
Utilisation rate	77.6%	73.6%	38.5%*
<b>(b) Shipping services</b>			
Aggregate amount paid by the Group to the COSCO SHIPPING Group	88,278,000	91,145,000	65,039,000
Annual caps	350,000,000	390,000,000	420,000,000 (for the year ending 31 December 2024)
Utilisation rate	25.2%	23.4%	15.5%*

*Note:* This utilisation rate is calculated based on (i) historical transaction amount for the eight months ended 31 August 2024; and divided by (ii) the existing annual cap for the year ending 31 December 2024.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Terminal services

In respect of terminal services, the utilisation rates of the existing annual caps remained relatively high at approximately 77.6% and 73.6% in 2022 and 2023 respectively. For the eight months ended 31 August 2024, the actual transaction amount represented approximately 38.5% of the existing annual cap for the year ending 31 December 2024. In terms of actual transaction amount, the Group's provision of terminal services to the COSCO SHIPPING Group in 2023 amounted to approximately RMB3,104 million, representing an increase of approximately 6.7% from approximately RMB2,911 million in 2022. The terminal services transaction amount for the eight months ended 31 August 2024 was approximately RMB1,874 million.

Overall, despite uncertainties and challenges in the global economic landscape stemming from factors such as tightening monetary policies, restricted credit conditions, and weak global trade and investment, we note that the Group's provision of terminal services to the COSCO SHIPPING Group was relatively stable during the period of the 2021 Master Agreement. In this regard, we understand from the Management that the demand for the Group's terminal services generally correlates with, among other things, its terminal portfolio size. According to information available to us, the Group's terminal portfolio has remained steady at 60 berths at 15 terminals as at 31 December 2022, 31 December 2023 and 30 June 2024 respectively.

### Shipping services

In respect of shipping services, the utilisation rates of the existing annual caps were relatively low at approximately 25.2% and 23.4% in 2022 and 2023 respectively. For the eight months ended 31 August 2024, the actual transaction amount represented approximately 15.5% of the existing annual cap for the year ending 31 December 2024. In terms of actual transaction amount, the Group's procurement of shipping services from the COSCO SHIPPING Group in 2023 amounted to approximately RMB91 million, representing a slight increase of approximately 3.2% from approximately RMB88 million in 2022. The shipping services transaction amount for the eight months ended 31 August 2024 was approximately RMB65 million.

We understand from the Management that the relatively low utilisation rates of the existing annual caps were mainly due to the lower than expected demand for shipping services from a subsidiary newly acquired by the Group immediately prior to the 2021 Master Agreement coming into effect (i.e. in December 2021). In view of the overall lower than expected utilisation rates of the existing annual caps, we note that the Management has considered this and proposed lowered annual caps for the next three years in respect of shipping services compared to the existing annual caps, as further discussed below.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2.3.2. Proposed annual caps

The following table sets out the proposed annual caps for the terminal services and shipping services transactions with the COSCO SHIPPING Group under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement for the years ending 31 December 2025, 2026 and 2027 respectively.

	<b>For the year ending 31 December</b>		
	<b>2025</b>	<b>2026</b>	<b>2027</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
<i>(a) Terminal services</i>			
Aggregate amount to be received by the Group from the COSCO SHIPPING Group	5,101,705,000	6,742,739,000	7,389,593,000
<i>(b) Shipping services</i>			
Aggregate amount to be paid by the Group to the COSCO SHIPPING Group	312,990,000	342,376,000	374,283,000

#### Terminal services

In determining the above proposed annual caps in respect of terminal services, we understand from the Management that the Company has taken into consideration (i) the historical transaction amounts and their growth rates; (ii) the anticipated inflation rate; (iii) the existing scale and operations of the businesses of the Group; and (iv) the anticipated growth and development of such businesses and the anticipated demand for such services, as further elaborated in the paragraph headed “2. The COSCO SHIPPING Continuing Connected Transactions” in the “Letter from the Board” of the Circular.

In assessing the fairness and reasonableness of the proposed annual caps in respect of terminal services, we have discussed with the Management and obtained the relevant working for review. Based on our discussion with the Management, we noted that the proposed annual cap for the year ending 31 December 2025 of approximately RMB5.1 billion (the “**2025 Terminal Services Annual Cap**”) is mainly arrived at after considering (i) the expected acquisition and/or development of new terminals by the Group by the end of 2024 and/or in 2025; and (ii) the potential growth in demand for the Group’s terminal services at its existing terminals.

Firstly, we note that the Group’s terminal in Peru is currently under construction and is expected to commence operations by the end of 2024. According to the Management, this terminal in Peru is expected to be a key hub port for the Company in South America. Furthermore, we note that the Group has expanded its scale and operations through recent acquisitions of further equity interest in Tianjin Port Container Terminal. In addition, we have obtained and reviewed the Group’s acquisition plan for new terminals and noted that the Group may potentially acquire a number of terminals in the PRC and overseas by the end of 2024 and/or in 2025. We



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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note that such plan of acquisition aligns with the Group’s strategy to expand their investment in emerging markets, regional markets and third countries as stated in the 2024 Interim Report. These newly acquired and developed terminals are expected to drive new demand for the Group’s terminal services from the COSCO SHIPPING Group during the next three years, and therefore necessitating a higher proposed annual cap to accommodate potential business needs.

Secondly, regarding the Group’s existing terminals, we observed from the relevant calculation worksheet that, in general, an expected year-on-year increase ranging from 0% to 25% in the terminal services transaction amount with the COSCO SHIPPING Group has been taken into account when deriving the 2025 Terminal Services Annual Cap. In this regard, based on our discussion with the Management and as noted in the 2024 Interim Report, the Group intends to continue to, among other things, strengthen its marketing strategies and enhance service capabilities at its key hub ports, foster lean and innovative operations, focus on serving national strategies and customers’ needs. These initiatives may potentially lead to increased demand for the Group’s terminal services from the COSCO SHIPPING Group. Moreover, according to the “Global Trade Outlook and Statistics”<sup>1</sup> published by the World Trade Organisation (WTO) in April 2024 which is publicly available, the world merchandise trade volume is expected to grow at 2.6% in 2024 and 3.3% in 2025, as demand for traded goods rebounds following a contraction in 2023 (when trade volume had declined by 1.2%). This recovery in global trade activities could potentially drive up demand for the Group’s terminal services. Furthermore, as the PRC continues to promote a high level of openness to the global market, for instance, we note that the General Office of the State Council of the PRC has published “Several Measures to Accelerate the Integrated Development of Domestic and Foreign Trade”<sup>2</sup> (《關於加速內外貿一體化發展的若干措施》) on 11 December 2023 to, among other things, support import and export activities with overseas market, this could potentially further increase demand for the Group’s terminal services, leveraging its extensive terminal portfolio spanning both the PRC and overseas markets. Considering the Group’s strategic direction and efforts to seize opportunities arising from the recovery and growth of global trade activities, especially between the PRC market and international markets, along with the potential addition of newly acquired and developed terminals as discussed above, these factors necessitate an increased demand for the Group’s terminal services and we understand that the 2025 Terminal Services Annual Cap has been arrived at with the above in mind.

For the year ending 31 December 2026, the proposed annual cap represents an approximate 30% increase compared to the 2025 Terminal Services Annual Cap. We understand that this increase has been considered in light of the following factors: (i) the various newly acquired and/or developed terminals that expect to begin operations in 2025 would have full-year contributions in terms of terminal services transaction amounts in 2026; (ii) the operational efficiency of these newly acquired and/or developed terminals is expected to gradually improve after a period of transition, indicating enhanced capabilities in delivering terminal services and consequently, higher transaction amounts; and (iii) the overall growth in demand for the Group’s

<sup>1</sup> [https://www.wto.org/english/res\\_e/booksp\\_e/trade\\_outlook24\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/trade_outlook24_e.pdf)

<sup>2</sup> *For reference only*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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terminal services as articulated by the factors discussed above. For the year ending 31 December 2027, the proposed annual cap represents an approximate 10% increase compared to that of 2026. We consider such estimated growth rate to be reasonable in order to cater to the potential growth in demand for the Group's terminal services from the COSCO SHIPPING Group.

### Shipping services

In determining the above proposed annual caps in respect of shipping services, we understand from the Management that the Company has taken into consideration (i) the corresponding anticipated increase in fuel consumption as a result of the increase in business volume; (ii) the anticipated increase in the volume of containers handled by existing terminals; (iii) the existing demand for such services and the anticipated increase in the demand for such services; (iv) the higher projected terminal cost expenditure in relation to the proposed acquisition of a container terminal; and (v) the expected increase in international shipping fees due to the strategic direction of the Company, as further elaborated in the paragraph headed "2. The COSCO SHIPPING Continuing Connected Transactions" in the "Letter from the Board" of the Circular.

In assessing the fairness and reasonableness of the proposed annual caps in respect of shipping services, we have discussed with the Management and obtained the relevant working for review. Based on our discussion with the Management, we noted that the proposed annual cap for the year ending 31 December 2025 of approximately RMB313 million (the "**2025 Shipping Services Annual Cap**") reflects the following considerations: (i) the expected demand for new shipping services to align with the Group's strategic direction; and (ii) the potential growth in demand for shipping services to complement the Group's expanded terminal portfolio and operational needs.

In respect of new shipping services, we note from the calculation worksheet that the cap accounts for the Group's strategic initiative which involves the potential procurement of services for (i) international shipping; and (ii) digital intelligence and the development of smart ports, from the COSCO SHIPPING Group. In respect of international shipping, the need of such service stems from the acquisition of a 56% interest in COSCO SHIPPING Ports Supply Chain (Xiamen) Development Co., Ltd. ("**Xiamen Haitou Supply Chain**") (formerly known as Xiamen Haicang Free Trade Port Zone Investment and Construction Management Co., Ltd) as detailed in the Company's announcement dated 30 December 2022 (the "**2022 Announcement**") and the 2023 Annual Report. Following the completion on 28 February 2023, Xiamen Haitou Supply Chain became an indirect subsidiary of the Company.

According to the 2022 Announcement, Xiamen Haitou Supply Chain is principally engaged in, among other things, supply chain management services, import-export agency, domestic trading agency, import and export of cargoes, international freight forwarding services and domestic freight forwarding services. Based on our discussion with the Management and as noted in the 2023 Annual Report, it is the Group's strategy to promote the integrated development of "port + supply chain" to enhance and optimise its position as a hub port operator, offering customers comprehensive services and enhancing market competitiveness. Considering COSCO SHIPPING Group's status as the owner of the world's largest

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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shipping fleet, which comprised 1,417 vessels with a total capacity of 116 million DWT (Deadweight Tonnages) as at 31 December 2023 according to COSCO SHIPPING's official website, Xiamen Haitou Supply Chain may potentially engage COSCO SHIPPING Group for international shipping services to align with this strategic direction.

In addition, as stated in the 2024 Interim Report, the Group aims to enhance its operations through digital intelligence, fostering digital transformation and the development of smart ports. Under this backdrop, we understand that the Group may collaborate with the COSCO SHIPPING Group and procure the essential services and support required for implementing this initiative. Consequently, these potentially new shipping services required to implement the Group's strategic direction would necessitate a higher proposed annual cap compared to the historical transaction amount to cater to the Group's business needs.

Secondly, as mentioned in the paragraph headed "2.1. Reasons for and benefits of entering into the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement" above, the shipping services procured by the Group from the COSCO SHIPPING Group serve to complement the Group's terminal operations. The Group's growth in terminal operations also implies an increased need for complementary shipping services, particularly for fuel and oil procurement, which forms a substantial part of the shipping services procured from the COSCO SHIPPING Group. In this regard, the Management has estimated a general year-on-year increase of around 20% in terms of fuel and oil procurement for its existing terminal portfolio (excluding the New Businesses as defined and discussed below) when deriving the 2025 Shipping Services Annual Cap. Such expected growth rate aligns with the expected growth of terminal services derived from the Group's existing terminal portfolio as discussed above, which shares similar growth drivers.

We also understand from the Management that one of its major terminals in the PRC launched new logistics-related businesses (the "New Businesses") in 2022, which require fuel and oil procurement. While the absolute amounts of fuel and oil procurement for the New Businesses in 2022 and 2023 were nominal, it increased by over 50% on a period-on-period basis in 2024 (up to the latest available data) and is expected to grow substantially in 2025. This projected growth will further increase the demand for fuel and oil procurement from the COSCO SHIPPING Group. Considering this, along with the anticipated demand for shipping services to support the Group's aforementioned newly acquired and developed terminals, we are of the view that these factors justify the anticipated increased demand for shipping services and we understand that the 2025 Shipping Services Annual Cap has been arrived at with the above in mind.

For the years ending 31 December 2026 and 2027, we note that the respective proposed annual caps represent a year-on-year growth rate of around 10%. We consider such estimated growth rate to be reasonable in order to cater for potential growth in the shipping services needs of the Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Conclusion

In light of the above and considering that (i) the Group is not obliged under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement to procure shipping services from and/or provide terminal services to the COSCO SHIPPING Group or to use up the respective proposed annual caps; (ii) the proposed annual caps can provide flexibility for the Group to (a) procure shipping services from the COSCO SHIPPING Group according to its operational needs; and (b) provide terminal services to the COSCO SHIPPING Group subject to their future demand; and (iii) there exists internal control mechanisms to ensure the Group's shipping and terminal services transactions with the COSCO SHIPPING Group will be conducted in terms that are fair, reasonable and no less favourable to the Group than those available from/offered to independent third parties, we are of the view that the proposed annual caps are fair and reasonable.

### **3. Internal control procedures**

We have obtained and reviewed the Group's internal control procedures in relation to the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement. As noted in the "Letter from the Board" of the Circular, to ensure that the relevant continuing connected transactions entered into between the Group and the COSCO SHIPPING Group are conducted in accordance with the terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, the Company has the following internal control arrangements:

- (i) The commercial department of each subsidiary of the Company will monitor on a monthly basis the market conditions and monitor the prevailing market prices (where appropriate) including the pricings of contemporaneous transactions with independent third parties in respect of comparable types of products and/or services in the same or nearby area in the ordinary course of business. In respect of the provision of services by the relevant members of the COSCO SHIPPING Group under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, the Group shall centralise purchases to obtain discounts.
- (ii) The Finance Division of the Company and each subsidiary of the Company has a designated person to record the entering into of continuing connected transactions.
- (iii) The Finance Division 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.
- (iv) The Audit and Supervision Division of the Company will monitor the risks related to continuing connected transactions by reviewing the minutes of important meetings as well as accounting records to identify if the Group has any undisclosed connected transactions.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (v) The Audit and Supervision Division 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 the audited entities' processes for identification of connected persons and their 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 pricing policies under the terms of their respective continuing connected transaction master agreements.
  
- (vi) 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 three months, such member shall inform the relevant personnel in the Finance Division and Legal & Compliance Division of the Company immediately and the Company shall determine the appropriate actions to be taken, such as (a) requiring such member not to enter into any further transactions which would cause the Designated Amount to be exceeded; (b) increasing the Designated Amount allocated to such member by reducing the Designated Amount(s) allocated to other member(s); or (c) 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.

As mentioned in the paragraph headed "2.2. Principal terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement" above, we have independently selected samples of the Group's shipping and terminal services transactions with the COSCO SHIPPING Group for the two years ended 31 December 2023 and the eight months ended 31 August 2024. Based on our review, we found that the pricing terms offered by/to members of the COSCO SHIPPING Group were no less favourable to the Group than those offered by/to independent third party suppliers/customers, demonstrating adherence to the internal control procedures outlined above. In addition, we note that the auditors and the independent non-executive Directors conduct annual review of these transactions pursuant to the requirements of Chapter 14A of the Listing Rules. As reported in the 2023 Annual Report, the external auditors of the Company and the independent non-executive Directors had conducted annual review of the Group's transactions with the COSCO SHIPPING Group in relation to the shipping and terminal services and there were no adverse findings under such annual review. We consider the work undertaken to be sufficient to support our following conclusion.

In view of the above, we concur with the Management's view that the Group's internal control procedures in relation to the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement are effective and sufficient.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having considered the above principal factors, we are of the view that (i) the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; (ii) the terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable; and (iii) the proposed annual caps in relation to the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement are fair and reasonable.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolution to be proposed at the SGM to approve the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, the transactions contemplated thereunder and the proposed annual caps related thereto.

Yours faithfully,  
For and behalf of  
**Altus Capital Limited**

**Arnold Ip**  
*Responsible Officer*

**Charlotte Khoo**  
*Responsible Officer*

*Mr. Arnold Ip (“Mr. Ip”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Ip has over 30 years of experience in banking, corporate finance advisory and investment management. In particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

*Ms. Charlotte Khoo (“Ms. Khoo”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. Ms. Khoo has over 10 years of experience in corporate finance and advisory in Hong Kong, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser and independent financial adviser in various corporate finance transactions. Ms. Khoo is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS OF DIRECTORS

- (a) As at the Latest Practicable Date, the interests of the Directors and the chief executive of the Company in the shares and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules were as follows:

### (i) Long position in the shares of the Company

Name of Director	Capacity	Nature of interests	Number of Shares held as at the Latest Practicable Date	Percentage of total number of issued Shares as at the Latest Practicable Date
Mr. ZHU Tao	Beneficial owner	Personal	8,000	0.0002%
Mr. ZHANG Wei	Beneficial owner	Personal	30,000	0.001%

### (ii) Long positions in underlying shares of equity derivatives of the Company

As at the Latest Practicable Date, there are no relevant long positions held in underlying shares of equity derivatives of the Company.



## (iii) Long positions in the shares of associated corporations

Name of associated corporation	Name of Director	Capacity	Nature of interest	Number of shares held as at the Latest Practicable Date	Percentage of total number of issued shares of the relevant class of the relevant associated corporation as at the Latest Practicable Date
CSH	Mr. ZHANG Wei	Beneficial owner	Personal	646,932 A shares	0.005%
COSCO SHIPPING Development Co., Ltd.	Mr. ZHU Tao	Beneficial owner	Personal	65,000 H shares 108,100 A shares	0.002% 0.001%
COSCO SHIPPING Energy Transportation Co., Ltd.	Mr. Adrian David LI Man Kiu	Beneficial owner	Personal	508,000 H shares	0.04%
Hainan Strait Shipping Co., Ltd.	Mr. ZHU Tao	Beneficial owner	Personal	12,900 A shares	0.0005%

## (iv) Long positions in the underlying shares of equity derivatives of associated corporations

Name of associated corporation	Name of Director	Capacity	Nature of interest	Exercise price (RMB)	Number of share options as at the Latest Practicable Date	Percentage of total number of issued shares of the relevant class of the associated corporation as at the Latest Practicable Date	Notes
CSH	Mr. ZHU Tao	Beneficial Owner	Personal	1.00	222,179	0.0017%	(1), (2), (3)
CSH	Mr. ZHANG Wei	Beneficial Owner	Personal	1.00	333,268	0.0026%	(1), (2), (3)

*Notes:*

- (1) Such share options were granted on 29 May 2020 pursuant to the A-shares share option incentive scheme of CSH adopted on 30 May 2019 and amended on 18 May 2020 by the shareholders of CSH and can be exercised during the period from 30 May 2022 to 28 May 2027.



- (2) Such share options have been or will be vested after 24 months from the date of grant (the “**Vesting Period**”). Subject to the fulfilment of the relevant vesting conditions, such share options will be vested in three batches after the Vesting Period, i.e. (a) 33% of the share options can be exercised during the first trading day after 24 months from the date of grant to the last trading day within 36 months from the date of grant; (b) 33% of the share options can be exercised during the first trading day after 36 months from the date of grant to the last trading day within 48 months from the date of grant; and (c) 34% of the share options can be exercised during the first trading day after 48 months from the date of grant to the last trading day within 84 months from the date of grant.
- (3) On 12 December 2022, the board of directors of CSH resolved to adjust its reserved A share options’ exercise price from RMB1.82 to RMB1.00 per A share following the 2022 interim dividend distribution plan of CSH. The registration with China Securities Depository and Clearing Corporation Limited for such adjustment was completed.
- (b) As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors, no Director was a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

**CSH****Name of Director****Position**

Mr. ZHU Tao

Executive Director and Deputy General Manager

- (c) Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, (i) none of the Directors or chief executive of the Company had any interest or short positions in any shares or underlying shares or interest in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange; and (ii) none of the Directors was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### 3. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, Mr. ZHU Tao and Mr. MA Xianghui held directorships or senior management positions in the associates of COSCO SHIPPING and/or other companies which have interests in terminals operation and management business (the “**Terminal Interests**”).

The Board is of the view that the Group is capable of carrying on its businesses independently of the Terminals Interests. When making decisions on the terminals business of the Group, the relevant Directors, in the performance of their duties as directors of the Company, have acted and will continue to act in the best interests of the Group. Other than as disclosed above, none of the Directors and their respective associates has interests in the businesses which competes or was likely to compete, whether directly or indirectly, with the businesses of the Group.

### 4. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

### 5. DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting and which is significant in relation to the business of the Group.

### 6. DIRECTORS' INTERESTS IN SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract or service agreement with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

### 7. EXPERT AND CONSENT

- (a) The following are the qualification of the expert who has been named in this circular and whose opinion or advice is contained in this circular:

<b>Name</b>	<b>Qualification</b>
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 SFO

- (b) As at the Latest Practicable Date, Altus Capital Limited was not beneficially interested in the share capital of any member of the Group, and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

- (c) As at the Latest Practicable Date, Altus Capital Limited did not have any direct or indirect interest in any assets which had been, since 31 December 2023 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (d) Altus Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 3 December 2024 (as set out on pages 14 to 28 of this circular) and references to its name in the form and context in which it appears.

## **8. MATERIAL ADVERSE CHANGE**

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

## **9. DOCUMENTS ON DISPLAY**

A copy of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://ports.coscoshipping.com>) from the date of this circular up to and including the date of the SGM.

## **10. GENERAL**

- (a) The General Counsel & Company Secretary of the Company is Ms. HUNG Man, Michelle, a practising solicitor in Hong Kong. She is also qualified in England and Wales.
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

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## NOTICE OF THE SGM

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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)

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting of COSCO SHIPPING Ports Limited (the “**Company**”) will be held at 47th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong on Friday, 20 December 2024 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications the following as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

“**THAT:**

- (a) the entering into of the agreement dated 30 October 2024 (the “**COSCO SHIPPING Shipping Services and Terminal Services Master Agreement**”) between the Company and China COSCO SHIPPING Corporation Limited\* (中國遠洋海運集團有限公司) in relation to the provision of shipping and terminal related services for a term of three years from 1 January 2025 to 31 December 2027 as described in the circular of the Company dated 3 December 2024 (the “**Circular**”) (a copy of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and a copy of the Circular have been produced to the meeting marked “A” and “B” respectively and initialed by the chairman of the meeting for identification purpose) and the transactions thereunder be and are hereby approved, ratified and confirmed;
- (b) the proposed annual cap amounts for the transactions under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement for the three years ending 31 December 2027 as set out in the Circular be and are hereby approved; and
- (c) the director(s) of the Company be and are hereby authorized for and on behalf of the Company to, amongst other matters, sign, execute and deliver or to authorize the signing, execution and delivery of all such documents and to do all such things as they may in their absolute discretion consider necessary, expedient or desirable to implement and/or to give effect to or otherwise in connection with the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and to be in the interests of the Company.”

By Order of the Board  
**COSCO SHIPPING Ports Limited**  
**HUNG Man, Michelle**  
*General Counsel & Company Secretary*

Hong Kong, 3 December 2024

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## NOTICE OF THE SGM

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**Registered Office:**

Clarendon House  
2 Church Street  
Hamilton, HM 11  
Bermuda

**Principal Place of Business:**

49/F, COSCO Tower  
183 Queen's Road Central  
Hong Kong

*Notes:*

1. Shareholders of the Company who are entitled to attend, speak and vote at the meeting are those whose names appear as shareholders on the register of members of the Company as at the close of business on Monday, 16 December 2024. In order to be entitled to attend, speak and vote at the meeting, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong branch registrar and transfer office, Tricor Secretaries Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 16 December 2024.
2. Any member of the Company entitled to attend, speak and vote at the meeting is entitled to appoint one or more (if the relevant member holds more than one share) proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company but must be present in person to represent the member.
3. To be valid, the form of proxy together with power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be deposited at the Company's Hong Kong branch registrar and transfer office, Tricor Secretaries Limited, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting or any adjourned meeting thereof if the shareholder of the Company so wish, and in such event, the form of proxy will be deemed to be revoked.
5. Where there are joint holders of any shares in the Company, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 12:00 noon on the date of the meeting, the meeting will be adjourned. The Company will post an announcement on the website of the Company at <https://ports.coscoshipping.com> and on the "Latest Listed Company Information" page of the Stock Exchange's website at <https://www.hkexnews.hk> to notify shareholders of the Company of the date, time and place of the adjourned meeting.
7. For the purposes of this notice, any English name with an asterisk (\*) is an unofficial English transliteration or translation and is for identification purposes only.