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**中遠海運國際(香港)有限公司**

COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00517)**

## **UPDATE ON THE PROGRESS OF CONNECTED TRANSACTIONS IN RELATION TO ACQUISITION OF TARGET ASSETS AND ENTERING INTO NEW LEASE AGREEMENT**

Reference is made to the announcement of the Company dated 21 September 2020 on the connected transactions in relation to acquisition of Target Assets and entering into New Lease Agreement (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, Completion is subject to the fulfillment of all of the conditions precedent and either party has the right to terminate the Asset Acquisition Agreement within one (1) year after the Asset Acquisition Agreement has become effective if any of the conditions precedent is not fulfilled within three (3) months from the date of the Asset Acquisition Agreement.

As at the date of this announcement, save and except the conditions disclosed in subparagraphs (v) (“**Condition (v)**”) and (vii) (“**Condition (vii)**”) of Conditions Precedent under the section headed “Acquisition of Target Assets” of the Announcement, all other conditions precedent have been fulfilled. It is, however, expected that the two outstanding conditions precedent cannot be fulfilled within a short period of time.

CSITC has been informed by Shenzhen Haisheng that due to the long period of time over which certain facilities of the asphalt depot had been constructed and the impact of the Coronavirus Disease 2019, the time required for the coordination with the entities responsible for building, site investigation, design, construction, supervision and inspection of the asphalt depot to issue the necessary documents is longer than expected. As a result, the obtaining of the planning permit, construction permit and filing of construction inspection and acceptance by Shenzhen Haisheng will be delayed. Further, CSITC has been recently informed by Shenzhen Haisheng that for the purpose of the filings for fire safety of the asphalt depot, certain public facilities within the oil depot of Hainan Guosheng will also need to be upgraded and modified. It is therefore unlikely that Shenzhen Haisheng could complete Condition (vii) within a short period of time. As the manuals, pipeline plans, tank construction design drawings and other technical materials of equipment within the asphalt depot as required under Condition (v) will be passed to CSITC after fulfilment of Condition (vii), the fulfilment of Condition (v) will also be correspondingly delayed.

As such, the parties are in the course of negotiating on the terms of a supplemental agreement to the Asset Acquisition Agreement for the extension of long stop date for satisfaction of the outstanding conditions precedent to 31 March 2021 and the amendments of certain other terms. Further announcement(s) and update(s) will be made by the Company as and when appropriate.

By Order of the Board  
**COSCO SHIPPING International (Hong Kong) Co., Ltd.**  
**Zhu Jianhui**  
*Chairman and Managing Director*

Hong Kong, 21 December 2020

*As at the date of this announcement, the Board comprises seven directors with Mr. Zhu Jianhui<sup>1</sup> (Chairman and Managing Director), Mr. Ma Jianhua<sup>1</sup>, Mr. Feng Boming<sup>2</sup>, Mr. Chen Dong<sup>2</sup>, Mr. Tsui Yiu Wa, Alec<sup>3</sup>, Mr. Jiang, Simon X.<sup>3</sup> and Mr. Kwong Che Keung, Gordon<sup>3</sup>.*

<sup>1</sup> Executive Director

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

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