

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*



**中遠海運控股股份有限公司**  
**COSCO SHIPPING Holdings Co., Ltd.\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 1919)**

**CONNECTED TRANSACTIONS**  
**(1) THE ACQUISITION OF EQUITY INTERESTS IN**  
**COSCO SHIPPING FINANCE; AND**  
**(2) THE CAPITAL INCREASE IN COSCO SHIPPING FINANCE**

**THE EQUITY TRANSFER AGREEMENT**

The Board is pleased to announce that, on 19 May 2022, the Company, COSCO International Freight (a wholly-owned subsidiary of the Company) and each of the Selling Shareholders entered into the Equity Transfer Agreement, pursuant to which (i) the Company conditionally agrees to purchase and the Selling Shareholders conditionally agree to sell an aggregate of 11.9246% of the equity interests of COSCO SHIPPING Finance at the total consideration of approximately RMB1,087,092,827 (equivalent to approximately HK\$1,304,511,393), and (ii) the Company also conditionally agrees to purchase and COSCO International Freight (a wholly-owned subsidiary of the Company) conditionally agrees to sell 3.2012% of the equity interests of COSCO SHIPPING Finance at the consideration of approximately RMB291,833,819 (equivalent to approximately HK\$350,200,583).

On the same day of the entering into of the Equity Transfer Agreement, (i) COSCO and COSCO SHIPPING Development entered into an equity transfer agreement, pursuant to which COSCO conditionally agrees to purchase and COSCO SHIPPING Development conditionally agrees to sell 10.0000% of the equity interests of COSCO SHIPPING Finance; (ii) COSCO SHIPPING Logistics, China Agency and China Tally entered into an equity transfer agreement, pursuant to which COSCO SHIPPING Logistics conditionally agrees to purchase, China Agency and China Tally conditionally agree to sell an aggregate of 4.8018% of the equity interests of COSCO SHIPPING Finance; and (iii) COSCO SHIPPING Specialized and Guangzhou Ocean entered into an equity transfer agreement, pursuant to which COSCO SHIPPING Specialized conditionally agrees to purchase and Guangzhou Ocean conditionally agrees to sell 3.5214% of the equity interests of COSCO SHIPPING Finance.

Upon completion of the Shareholding Restructuring (including completion of the equity transfer under the Equity Transfer Agreement), COSCO SHIPPING Finance will be owned by (i) COSCO SHIPPING as to 31.2083% of its equity interests, (ii) the Company as to 15.1258% of its equity interests, (iii) COSCO SHIPPING Development as to 13.3840% of its equity interests, (iv) COSCO SHIPPING Energy as to 10.9145% of its equity interests, (v) COSCO as to 10.0000% of its equity interests, (vi) COSCO SHIPPING Lines as to 7.8430% of its equity interests, (vii) COSCO SHIPPING Specialized as to 6.7226% of its equity interests, and (viii) COSCO SHIPPING Logistics as to 4.8018% of its equity interests. As such, the Group will hold 22.9688% of the equity interests of COSCO SHIPPING Finance (comprising 15.1258% of the equity interests of COSCO SHIPPING Finance held by the Company and 7.8430% of the equity interests of COSCO SHIPPING Finance held by COSCO SHIPPING Lines), therefore COSCO SHIPPING Finance will not become a subsidiary of the Company and its financial statements will not be consolidated into the financial statements of the Group.

### **THE CAPITAL INCREASE AGREEMENT**

The Board is also pleased to announce that, on 19 May 2022, each of the Post-restructuring Shareholders entered into the Capital Increase Agreement, pursuant to which the Post-restructuring Shareholders conditionally agree to increase the registered capital of COSCO SHIPPING Finance by the aggregate of RMB13,500 million (equivalent to approximately HK\$16,200 million) in proportion to their respective shareholdings of COSCO SHIPPING Finance after completion of the Shareholding Restructuring. Accordingly, pursuant to the Capital Increase Agreement, the Company and COSCO SHIPPING Lines agree to contribute RMB2,041,983,000 (equivalent to approximately HK\$2,450,379,600) and RMB1,058,805,000 (equivalent to approximately HK\$1,270,566,000) respectively, in an aggregated amount of RMB3,100,788,000 (equivalent to approximately HK\$3,720,945,600).

Upon completion of the Shareholding Restructuring and the Capital Increase, the registered capital of COSCO SHIPPING Finance will be increased from RMB6,000 million to RMB19,500 million, while the shareholding of the Group in COSCO SHIPPING Finance will remain at 22.9688% (comprising 15.1258% of the equity interests of COSCO SHIPPING Finance held by the Company and 7.8430% of the equity interests of COSCO SHIPPING Finance held by COSCO SHIPPING Lines).

## **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As at the date of this announcement, COSCO SHIPPING and its associates control or are entitled to exercise control over approximately 46.89% total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company.

As at the date of this announcement, COSCO SHIPPING Finance and all the Selling Shareholders are the subsidiaries of COSCO SHIPPING, each of COSCO SHIPPING Finance and the Selling Shareholders is an associate (as defined under the Hong Kong Listing Rules) of COSCO SHIPPING and therefore a connected person of the Company. Accordingly, the Acquisition from Selling Shareholders and the Capital Increase by the Group will constitute connected transactions of the Company under the Hong Kong Listing Rules.

The Acquisition of THL, the Acquisition from Selling Shareholders and the Capital Increase by the Group will constitute a series of transactions made within a 12-month period and shall be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As one or more applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules in respect of the Acquisition of THL, the Acquisition from Selling Shareholders and the Capital Increase by the Group, on an aggregated basis, exceed 0.1% but are less than 5%, the Acquisition from Selling Shareholders and the Capital Increase by the Group are subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

## **INTRODUCTION**

As at the date of this announcement, COSCO SHIPPING Finance has 15 existing shareholders. To optimize the shareholding structure of COSCO SHIPPING Finance in order to enhance the overall performance of financial services provided by COSCO SHIPPING Finance to its shareholders, the following agreements were entered into by relevant parties on 19 May 2022:

- (1) the Equity Transfer Agreement entered into by the Company, COSCO International Freight (a wholly-owned subsidiary of the Company) and each of the Selling Shareholders, pursuant to which (i) the Company conditionally agrees to purchase and the Selling Shareholders conditionally agree to sell an aggregate of 11.9246% of the equity interests of COSCO SHIPPING Finance, and (ii) the Company also conditionally agrees to purchase and COSCO International Freight (a wholly-owned subsidiary of the Company) conditionally agrees to sell 3.2012% of the equity interests of COSCO SHIPPING Finance;

- (2) the equity transfer agreement entered into by COSCO and COSCO SHIPPING Development, pursuant to which COSCO conditionally agrees to purchase and COSCO SHIPPING Development conditionally agrees to sell 10.0000% of the equity interests of COSCO SHIPPING Finance;
- (3) the equity transfer agreement entered into by COSCO SHIPPING Logistics, China Agency and China Tally, pursuant to which COSCO SHIPPING Logistics conditionally agrees to purchase, China Agency and China Tally conditionally agree to sell an aggregate of 4.8018% of the equity interests of COSCO SHIPPING Finance; and
- (4) the equity transfer agreement entered into by COSCO SHIPPING Specialized and Guangzhou Ocean, pursuant to which COSCO SHIPPING Specialized conditionally agrees to purchase and Guangzhou Ocean conditionally agrees to sell 3.5214% of the equity interests of COSCO SHIPPING Finance.

In addition to the Shareholding Restructuring, in order to increase the capital adequacy ratio for COSCO SHIPPING Finance to further develop its business and enhance its overall profitability, on 19 May 2022, each of the Post-restructuring Shareholders entered into the Capital Increase Agreement, pursuant to which the Post-restructuring Shareholders conditionally agree to increase the registered capital of COSCO SHIPPING Finance by the aggregate of RMB13,500 million (equivalent to approximately HK\$16,200 million) in proportion to their respective shareholdings of COSCO SHIPPING Finance upon completion of the Shareholding Restructuring.

## **THE EQUITY TRANSFER AGREEMENT**

The Board is pleased to announce that, on 19 May 2022, the Company, COSCO International Freight (a wholly-owned subsidiary of the Company) and each of the Selling Shareholders entered into the Equity Transfer Agreement, pursuant to which (i) the Company conditionally agrees to purchase and the Selling Shareholders conditionally agree to sell an aggregate of 11.9246% of the equity interests of COSCO SHIPPING Finance at the total consideration of approximately RMB1,087,092,827 (equivalent to approximately HK\$1,304,511,393), and (ii) the Company also conditionally agrees to purchase and COSCO International Freight (a wholly-owned subsidiary of the Company) conditionally agrees to sell 3.2012% of the equity interests of COSCO SHIPPING Finance at the consideration of approximately RMB291,833,819 (equivalent to approximately HK\$350,200,583).

The principal terms of the Equity Transfer Agreement is set out below.

### ***Date***

19 May 2022

## ***Parties***

- (1) the Company;
- (2) COSCO International Freight;
- (3) COSCO Tianjin;
- (4) COSCO Qingdao;
- (5) COSCO Xiamen;
- (6) China Bunker;
- (7) COSCO Shipbuilding; and
- (8) COSCO Shipyard

## ***Subject matter***

The Company conditionally agrees to purchase and the Selling Shareholders conditionally agree to sell an aggregate of 11.9246% of the equity interests of COSCO SHIPPING Finance at the total consideration of approximately RMB1,087,092,827 (equivalent to approximately HK\$1,304,511,393).

The Company also conditionally agrees to purchase and COSCO International Freight (a wholly-owned subsidiary of the Company) conditionally agrees to sell 3.2012% of the equity interests of COSCO SHIPPING Finance at the consideration of approximately RMB291,833,819 (equivalent to approximately HK\$350,200,583).

## ***Consideration***

The consideration for the Acquisition from Selling Shareholders under the Equity Transfer Agreement was determined after arm's length negotiations between the parties with reference to the assessed value of COSCO SHIPPING Finance by an independent valuer as at 31 December 2021 (as the benchmark date for the valuation). Pursuant to the valuation report issued by the independent valuer, the assessed value of the entire equity interests of COSCO SHIPPING Finance as at 31 December 2021 was approximately RMB9,116,388,200 (equivalent to approximately HK\$10,939,665,840) under income approach, therefore the corresponding assessed value of 11.9246% of the equity interests of COSCO SHIPPING Finance as at 31 December 2021 was approximately RMB1,087,092,827 (equivalent to approximately HK\$1,304,511,393).

The breakdown of the equity interests of COSCO SHIPPING Finance acquired from each of the Selling Shareholders and corresponding consideration therefor are set out in the following.

<b>Selling Shareholders</b>	<b>Percentage of Equity Interests of COSCO SHIPPING Finance Acquired by the Company</b>	<b>Consideration (Approximately)</b>
COSCO Tianjin	6.4025%	RMB583,676,755
COSCO Qingdao	2.5610%	RMB233,470,702
COSCO Shipbuilding	1.2005%	RMB109,442,240
COSCO Shipyard	0.8003%	RMB72,958,454
China Bunker	0.6402%	RMB58,363,117
COSCO Xiamen	0.3201%	RMB29,181,559

The consideration for the 3.2012% of the equity interests of COSCO SHIPPING Finance to be transferred from COSCO International Freight (a wholly-owned subsidiary of the Company) to the Company in the amount of approximately RMB291,833,819 (equivalent to approximately HK\$350,200,583) was also determined with reference to the assessed value of COSCO SHIPPING Finance by an independent valuer as mentioned above.

The aforementioned valuation report of COSCO SHIPPING Finance by an independent valuer will be subject to filing procedure in respect of state-owned assets in accordance with relevant PRC laws and regulations (the “**Filing Procedure**”). In the event that the assessed value of COSCO SHIPPING Finance is required to be adjusted in the course of the Filing Procedure, the consideration for the Acquisition from Selling Shareholders under the Equity Transfer Agreement will be adjusted accordingly.

Based on the information available to the Company, there is nothing to suggest that the above potential adjustment in the assessed value of COSCO SHIPPING Finance will substantially deviate from the current valuation result. Hence, it is expected that such consideration adjustment (if any) would not affect the classification of the Acquisition from Selling Shareholders under Chapter 14 and/or Chapter 14A of the Listing Rules. Further announcement(s) will be made by the Company in the event that such consideration adjustment results in a different classification of the Acquisition from Selling Shareholders under Chapter 14 and/or Chapter 14A of the Listing Rules.

All the consideration to be paid by the Company under the Equity Transfer Agreement will be financed by the internal resources of the Group.

### ***Conditions***

The Equity Transfer Agreement shall be effective upon the satisfaction of the following conditions:

- (1) the completion of all internal approval procedures in respect of the execution and performance of the Equity Transfer Agreement by the parties thereto in accordance with their respective articles of association and applicable laws, regulations and normative documents;
- (2) the approval for the transactions contemplated under the Equity Transfer Agreement being obtained at shareholders’ meeting of COSCO SHIPPING Finance;



- (3) the consents for the non-exercise of the Right of First Refusal being obtained from relevant shareholders of COSCO SHIPPING Finance and the completion of all internal approval procedures by such shareholders of COSCO SHIPPING Finance in respect of the non-exercise of the Right of First Refusal;
- (4) the approval(s) for the transactions contemplated under the Equity Transfer Agreement being obtained from the PRC governmental department and its authorized offices in respect of state-owned assets supervision and administration; and
- (5) the approval for the proposal of the Shareholding Restructuring being obtained from Shanghai office of CBIRC.

### ***Payment Conditions and Terms***

The Company shall fully pay the consideration under the Equity Transfer Agreement in cash within 15 business days after all the following payment conditions have been satisfied or unanimously waived by the parties to the Equity Transfer Agreement:

- (1) the Equity Transfer Agreement becomes effective;
- (2) there is no material adverse change of COSCO SHIPPING Finance in respect of its business, operation, asset and indebtedness taking place after 31 December 2021; and
- (3) there is no breach of the Equity Transfer Agreement, and all the representations and warranties thereof remain valid.

### ***Completion***

The parties to the Equity Transfer Agreement shall actively cooperate to complete the registration by the relevant administration of industry and commerce of the PRC in relation to the transfer of the equity interests of COSCO SHIPPING Finance contemplated under the Equity Transfer Agreement within 30 business days after all the consideration under the Equity Transfer Agreement having been fully paid by the Company.

### **Reasons for and Benefits of the Acquisition from Selling Shareholders**

COSCO SHIPPING Finance has maintained a rapid development in its asset scale, and continued to optimize its asset quality and portfolio with stable profitability since its merger in 2018. COSCO SHIPPING Finance has provided the Group financial services (including but not limited to deposit, loan, settlement and foreign exchange) on normal commercial terms under relevant finance service agreements in the past years. After completion of the transactions under the Equity Transfer Agreement, the Group will become the second largest single shareholder of COSCO SHIPPING Finance with 22.9688% of its equity interest, which enables the Group to increase return on investment in COSCO SHIPPING Finance and enhance the Group's risk resistance capacity against the fluctuation of shipping market in the future. Moreover, as the second largest single shareholder of COSCO SHIPPING Finance, the Group will have more influence on the operation of COSCO SHIPPING Finance so as to facilitate the Group's development of globalization and digitalization in respect of shipping supply chain, and meanwhile participate into risk management and supervision of COSCO SHIPPING Finance.

Taking into account the above, the Board (including the independent non-executive Directors) considers that the terms of the Equity Transfer Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Pursuant to the PRC Company Law, COSCO SHIPPING Lines (as an existing shareholder of COSCO SHIPPING Finance as to 7.8430% of its equity interests as at the date of this announcement), together with other Non-selling Shareholders of COSCO SHIPPING Finance, is entitled to exercise the Right of First Refusal with respect to the proposed transfer of equity interests of COSCO SHIPPING Finance to any other persons other than the existing shareholders of COSCO SHIPPING Finance under the Shareholding Restructuring.

The corresponding percentage of equity interests of COSCO SHIPPING Finance subject to the exercise of the Right of First Refusal by COSCO SHIPPING Lines is to be acquired by the Company under the Shareholding Restructuring.

## **THE CAPITAL INCREASE AGREEMENT**

The Board is pleased to announce that, on 19 May 2022, each of the Post-restructuring Shareholders entered into the Capital Increase Agreement, pursuant to which the Post-restructuring Shareholders conditionally agree to increase the registered capital of COSCO SHIPPING Finance by an aggregate of RMB13,500 million (equivalent to approximately HK\$16,200 million) in proportion to their respective shareholdings of COSCO SHIPPING Finance upon completion of the Shareholding Restructuring. Accordingly, pursuant to the Capital Increase Agreement, the Company and COSCO SHIPPING Lines agree to contribute RMB2,041,983,000 (equivalent to approximately HK\$2,450,379,600) and RMB1,058,805,000 (equivalent to approximately HK\$1,270,566,000) respectively, in an aggregate amount of RMB3,100,788,000 (equivalent to approximately HK\$3,720,945,600).



Upon completion of the Shareholding Restructuring and the Capital Increase, the registered capital of COSCO SHIPPING Finance will be increased from RMB6,000 million to RMB19,500 million, while the percentage of shareholding by the Group in COSCO SHIPPING Finance will remain at 22.9688% (comprising 15.1258% of the equity interests of COSCO SHIPPING Finance held by the Company and 7.8430% of the equity interests of COSCO SHIPPING Finance held by COSCO SHIPPING Lines).

The principal terms of the Capital Increase Agreement is set out below.

***Date***

19 May 2022

***Parties***

- (1) the Company;
- (2) COSCO SHIPPING Lines;
- (3) COSCO SHIPPING;
- (4) COSCO;
- (5) COSCO SHIPPING Development;
- (6) COSCO SHIPPING Energy;
- (7) COSCO SHIPPING Specialized; and
- (8) COSCO SHIPPING Logistics

***Subject matter***

The Post-restructuring Shareholders conditionally agree to increase the registered capital of COSCO SHIPPING Finance by an aggregate of RMB13,500 million (equivalent to approximately HK\$16,200 million) in proportion to their respective shareholdings of COSCO SHIPPING Finance upon completion of the Shareholding Restructuring.

## ***Consideration***

The aggregate amount of capital contribution payable by the Post-restructuring Shareholders to COSCO SHIPPING Finance for the Capital Increase under the Capital Increase Agreement is RMB13,500 million (equivalent to approximately HK\$16,200 million), the breakdown of which is set out below:

<b>Post-restructuring Shareholders</b>	<b>Shareholding Percentage in Equity Interests of COSCO SHIPPING Finance upon the Completion of the Shareholding Restructuring</b>	<b>Amount of Capital Contribution Payable</b>
COSCO SHIPPING The Company	31.2083%	RMB4,213,120,500
COSCO SHIPPING Development	15.1258%	RMB2,041,983,000
COSCO SHIPPING Energy	13.3840%	RMB1,806,840,000
COSCO	10.9145%	RMB1,473,457,500
COSCO SHIPPING Lines	10.0000%	RMB1,350,000,000
COSCO SHIPPING Specialized	7.8430%	RMB1,058,805,000
COSCO SHIPPING Logistics	6.7226%	RMB907,551,000
	4.8018%	RMB648,243,000
<b>Total</b>	<b>100%</b>	<b>RMB13,500,000,000</b>

The amount of capital contribution for the Capital Increase shall be payable in full by the Post-restructuring Shareholders in cash within 15 business days after the approval for the Capital Increase being obtained from Shanghai office of CBIRC.

The amount of capital contribution for the Capital Increase was determined after arm's length negotiations among the Post-restructuring Shareholders with reference to, among other things, (i) their respective shareholdings in COSCO SHIPPING Finance, and (ii) the estimated business needs and future business development of COSCO SHIPPING Finance.

The amount of capital contribution for the Capital Increase payable by the Group in the aggregate amount of RMB3,100,788,000 (equivalent to approximately HK\$3,720,945,600) will be funded by the internal resources of the Group.

## ***Conditions***

The Capital Increase Agreement shall become effective upon the satisfaction of the following conditions:

- (1) the duly execution of the Capital Increase Agreement by the legal representatives or authorized representatives of the parties thereto and affix of company chop by the parties thereto;
- (2) the completion of relevant internal approval procedures in respect of the Capital Increase Agreement by the parties thereto in accordance with their respective articles of association and applicable laws and regulations;

- (3) the consents for the Capital Increase being obtained at the shareholders' meeting of COSCO SHIPPING Finance;
- (4) the approval(s) for the Capital Increase being obtained from the PRC governmental department and its authorized offices in respect of state-owned assets supervision and administration;
- (5) the approval for the Shareholding Restructuring being obtained from Shanghai office of CBIRC and the Shareholding Restructuring being duly completed; and
- (6) the approval for the Capital Increase being obtained from Shanghai office of CBIRC.

### **Reasons for and Benefits of the Capital Increase**

The Capital Increase will provide additional capital for COSCO SHIPPING Finance to supplement its capital adequacy ratio, so as to satisfy relevant regulatory requirement and increase its risk resistance capacity. In addition, the Capital Increase could also optimize the asset portfolio of COSCO SHIPPING Finance and enhance the efficiency and performance of its capital utility. Meanwhile, it could enable the Company to receive stable return on investment in COSCO SHIPPING Finance and reduce the risks arising from fluctuation of the shipping market. Moreover, the Capital Increase will further strengthen its capacity of providing credit and loan-related services and in turn enable COSCO SHIPPING Finance to provide favorable financial services to the Group in the future.

The terms of the Capital Increase Agreement and the transactions contemplated thereunder were agreed after arm's length negotiations among the Post-restructuring Shareholders. By participating in the Capital Increase in proportion to its shareholding in COSCO SHIPPING Finance, the Group can prevent dilution of its shareholding in COSCO SHIPPING Finance, which can maximize value to shareholders and further increase return on investment from COSCO SHIPPING Finance.

Taking into account the above, the Board (including the independent non-executive Directors) considers that the terms of the Capital Increase Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **SHAREHOLDING STRUCTURE OF COSCO SHIPPING FINANCE**

The shareholding structure of COSCO SHIPPING Finance (i) as at the date of this announcement, (ii) immediately after completion of the Shareholding Restructuring, and (iii) immediately after completion of the Shareholding Restructuring and the Capital Increase is as set out below:

Parties	Shareholding as at the date of this announcement		Shareholding immediately after completion of the Shareholding Restructuring		Shareholding immediately after completion of the Shareholding Restructuring and the Capital Increase	
	<i>Amount of contribution to the registered capital (RMB)</i>	<i>Approximate percentage of the registered capital (%)</i>	<i>Amount of contribution to the registered capital (RMB)</i>	<i>Approximate percentage of the registered capital (%)</i>	<i>Amount of contribution to the registered capital (RMB)</i>	<i>Approximate percentage of the registered capital (%)</i>
(1) COSCO SHIPPING	1,872,493,772	31.2083	1,872,493,772	31.2083	6,085,614,272	31.2083
(2) The Group						
The Company	Nil	–	907,548,333	15.1258	2,949,531,333	15.1258
COSCO SHIPPING Lines	470,580,380	7.8430	470,580,380	7.8430	1,529,385,380	7.8430
COSCO International Freight	192,072,841	3.2012	Nil	–	Nil	–
Sub-total	662,653,221	11.0442	1,378,128,713	22.9688	4,478,916,713	22.9688
(3) COSCO SHIPPING Development	1,403,040,268	23.3840	803,040,268	13.3840	2,609,880,268	13.3840
(4) The COSCO SHIPPING Energy	654,872,460	10.9145	654,872,460	10.9145	2,128,329,960	10.9145
(5) The COSCO SHIPPING Specialized Group						
COSCO SHIPPING Specialized	192,072,841	3.2012	403,355,526	6.7226	1,310,906,526	6.7226
Guangzhou Ocean	211,282,685	3.5214	Nil	–	Nil	–
Sub-total	403,355,526	6.7226	403,355,526	6.7226	1,310,906,526	6.7226
(6) Other COSCO SHIPPING Subsidiaries						
COSCO	Nil	–	600,000,000	10.0000	1,950,000,000	10.0000
COSCO SHIPPING Logistics	Nil	–	288,109,261	4.8018	936,352,261	4.8018
COSCO Tianjin	384,148,882	6.4025	Nil	–	Nil	–
China Agency	268,902,617	4.4817	Nil	–	Nil	–
COSCO Qingdao	153,659,553	2.5610	Nil	–	Nil	–
COSCO Shipbuilding	72,028,915	1.2005	Nil	–	Nil	–
COSCO Shipyard	48,018,210	0.8003	Nil	–	Nil	–
China Bunker	38,413,288	0.6402	Nil	–	Nil	–
COSCO Xiamen	19,206,644	0.3201	Nil	–	Nil	–
China Tally	19,206,644	0.3201	Nil	–	Nil	–
Sub-total	1,003,584,753	16.7264	888,109,261	14.8018	2,886,352,261	14.8018
<b>Total</b>	<b>6,000,000,000</b>	<b>100</b>	<b>6,000,000,000</b>	<b>100</b>	<b>19,500,000,000</b>	<b>100</b>

In light of the above, upon completion of the Shareholding Restructuring (including completion of the equity transfer under the Equity Transfer Agreement) and the Capital Increase, the Group will hold 22.9688% of the equity interests of COSCO SHIPPING Finance (comprising 15.1258% of the equity interests of COSCO SHIPPING Finance held by the Company and 7.8430% of the equity interests of COSCO SHIPPING Finance held by COSCO SHIPPING Lines), therefore COSCO SHIPPING Finance will not become a subsidiary of the Company and its financial statements will not be consolidated into the financial statements of the Group.

## INFORMATION ON COSCO SHIPPING FINANCE

COSCO SHIPPING Finance is a company established under the laws of the PRC with limited liability and is a non-wholly owned subsidiary of COSCO SHIPPING. It is principally engaged in the provision of deposit services, credit services, financial and financing consultation, credit verification and related consultation and agency services, settlement, and liquidation.

Based on the financial statements of COSCO SHIPPING Finance prepared in accordance with Accounting Standards for Business Enterprises, the financial information of COSCO SHIPPING Finance for the two years ended 31 December 2020 and 2021 is set out as follows:

	<b>For the year ended 31 December</b>	
	<b>2020</b> <i>(RMB'000)</i> <i>(Audited)</i> <i>Approximately</i>	<b>2021</b> <i>(RMB'000)</i> <i>(Audited)</i> <i>Approximately</i>
Profit before taxation	651,768	456,466
Profit after taxation	500,158	341,335

  

	<b>As at 31 December</b>	
	<b>2020</b> <i>(RMB'000)</i> <i>(Audited)</i> <i>Approximately</i>	<b>2021</b> <i>(RMB'000)</i> <i>(Audited)</i> <i>Approximately</i>
Net Assets	8,743,332	8,790,521

## INFORMATION ON THE PARTIES TO THE EQUITY TRANSFER AGREEMENT AND THE CAPITAL INCREASE AGREEMENT

### Information on the Group

The Company is 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 Hong Kong Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange.

The Group provides a wide range of container shipping and terminal services covering the whole shipping value chain for both international and domestic customers.

COSCO SHIPPING Lines is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in container shipping.

COSCO International Freight is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in freight forwarding and transportation.

## **Information on COSCO SHIPPING**

COSCO SHIPPING is a company incorporated under the laws of the PRC, and is a state-owned enterprise controlled by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

The scope of business of COSCO SHIPPING 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.

## **Information on COSCO SHIPPING Development**

COSCO SHIPPING Development is a joint stock limited company established under the laws of the PRC with limited liability, the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange.

COSCO SHIPPING Development and its subsidiaries are principally engaged in shipping and industry-related leasing businesses, manufacturing of containers and provision of investment and financial services.

## **Information on the COSCO SHIPPING Energy**

COSCO SHIPPING Energy is 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 Hong Kong Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange.

The COSCO SHIPPING Energy is principally engaged in investment holding, oil shipment along the coast of the PRC and internationally, international liquefied natural gas shipment, international chemical transportation and vessel chartering.

## **Information on the COSCO SHIPPING Specialized Group**

COSCO SHIPPING Specialized is a joint stock limited company established under the laws of the PRC with limited liability and the A shares of which are listed on the Shanghai Stock Exchange.

The COSCO SHIPPING Specialized Group is principally engaged in the operations and management of vessels and carriers and cargo transportation.

Guangzhou Ocean is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of COSCO SHIPPING Specialized. It is principally engaged in cargo transportation.



## **Information on Other COSCO SHIPPING Subsidiaries**

COSCO is a PRC state-owned enterprise established under the laws of the PRC and a wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in operation of bulk cargo shipping, general cargo and special vessel shipping, ship repair and retrofit, ship building, provision of vessel fuels, and provision of financial services, ship trading services and seaman and ship management services.

COSCO Tianjin is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in international bulk transportation service.

China Agency is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in shipping agency and freight forwarding.

COSCO Qingdao is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in international dry and bulk cargo shipping.

COSCO Shipbuilding is a company established under the laws of the PRC with limited liability and is a non-wholly owned subsidiary of COSCO SHIPPING. It is principally engaged in ship building, ship equipment and steel structure building.

COSCO Shipyard is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in large vessels buildings, marine engineering's construction and conversion.

China Bunker is a company established under the laws of the PRC with limited liability and is a non-wholly owned subsidiary of COSCO SHIPPING. It is principally engaged in global supply of bunker oil, marine lubricants and fresh water to vessels, as well as the transportation and storage of oil products.

COSCO Xiamen is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in international transportation of dry bulk cargos and general cargos.

China Tally is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in ocean shipping tally.

COSCO SHIPPING Logistics is a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in the provision of cargo logistics, international freight agency services and related consultancy services.

## **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As at the date of this announcement, COSCO SHIPPING and its associates control or are entitled to exercise control over approximately 46.89% total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company.

As at the date of this announcement, COSCO SHIPPING Finance and all the Selling Shareholders are the subsidiaries of COSCO SHIPPING, each of COSCO SHIPPING Finance and the Selling Shareholders is an associate (as defined under the Hong Kong Listing Rules) of COSCO SHIPPING and therefore a connected person of the Company. Accordingly, the Acquisition from Selling Shareholders and the Capital Increase by the Group will constitute connected transactions of the Company under the Hong Kong Listing Rules.

The Acquisition of THL, the Acquisition from Selling Shareholders and the Capital Increase by the Group will constitute a series of transactions made within a 12-month period and shall be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As one or more applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules in respect of the Acquisition of THL, the Acquisition from Selling Shareholders and the Capital Increase by the Group, on an aggregated basis, exceed 0.1% but are less than 5%, the Acquisition from Selling Shareholders and the Capital Increase by the Group are subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

The executive Directors, namely, Mr. Wan Min, Mr. Huang Xiaowen and Mr. Yang Zhijian, as Directors nominated by COSCO (a controlling shareholder of the Company and a wholly-owned subsidiary of COSCO SHIPPING), have abstained from voting on the resolutions of the Board approving (i) the Equity Transfer Agreement and the transactions contemplated thereunder, and (ii) the Capital Increase Agreement and the Capital Increase by the Group pursuant to the articles of association of the Company. Other than the above mentioned Directors, the remaining Directors are the independent non-executive Directors.

Save as disclosed above, none of other Directors has a material interest in (i) the Equity Transfer Agreement and the transactions contemplated thereunder, and (ii) the Capital Increase Agreement and the Capital Increase by the Group and was required to abstain from voting on the relevant resolutions.

## DEFINITIONS

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follows:

“A Share(s)”	the domestic share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“Acquisition from Selling Shareholders”	the proposed purchase by the Company of the aggregate of 11.9246% of the equity interests of COSCO SHIPPING Finance from the Selling Shareholders pursuant to the Equity Transfer Agreement
“Acquisition of THL”	the acquisition of 81% of the equity interests in Shanghai Tianhongli Asset Management Limited* (上海天宏力資產管理有限公司) by COSCO SHIPPING Lines from a wholly-owned subsidiary of COSCO SHIPPING, which constituted a connected transaction of the Company, and the details of which are contained in the announcement of the Company dated 29 April 2022
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of Directors
“Capital Increase”	the proposed increase in the registered capital of COSCO SHIPPING Finance by an aggregate of RMB13,500 million (equivalent to approximately HK\$16,200 million) to be contributed by the Post-restructuring Shareholders in proportion to their respective shareholdings of COSCO SHIPPING Finance
“Capital Increase Agreement”	the capital increase agreement dated 19 May 2022 entered into by the Post-restructuring Shareholders in relation to the Capital Increase
“Capital Increase by the Group”	the proposed increase in the registered capital of COSCO SHIPPING Finance in the aggregate amount of RMB3,100,788,000 (equivalent to approximately HK\$3,720,945,600) to be contributed by the Company and COSCO SHIPPING Lines pursuant to the Capital Increase Agreement
“CBIRC”	China Banking and Insurance Regulatory Commission and its local offices

“China Agency”	China Ocean Shipping Agency Co., Ltd.* (中國外輪代理有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
“China Bunker”	China Marine Bunker (Petro China) Co., Ltd.* (中國船舶燃料有限公司), a company established under the laws of the PRC with limited liability and a non-wholly owned subsidiary of COSCO SHIPPING
“China Tally”	China Ocean Shipping Tally Co., Ltd.* (中國外輪理貨有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
“Company”	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 and A shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1919) and the Shanghai Stock Exchange (Stock Code: 601919), respectively
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“COSCO”	China Ocean Shipping Company Limited* (中國遠洋運輸有限公司), a PRC state-owned enterprise, the direct controlling shareholder of the Company and a wholly-owned subsidiary of COSCO SHIPPING
“COSCO International Freight”	COSCO International Freight Co., Ltd.* (中遠海運國際貨運有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“COSCO Qingdao”	COSCO (Qingdao) Co., Ltd.* (中遠海運(青島)有限公司), formerly known as Qingdao Ocean Shipping Co., Ltd.* (青島遠洋運輸有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
“COSCO Shipbuilding”	COSCO Shipbuilding Industry Company Ltd.* (中遠造船工業有限公司), a company established under the laws of the PRC with limited liability and a non-wholly owned subsidiary of COSCO SHIPPING
“COSCO SHIPPING”	China COSCO Shipping Corporation Ltd.* (中國遠洋海運集團有限公司), a PRC state-owned enterprise and an indirect controlling shareholder of the Company

“COSCO SHIPPING Development”	COSCO SHIPPING Development Co., Ltd.* (中遠海運發展股份有限公司), a joint stock limited company established in the PRC, the H shares and A shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2866) and the Shanghai Stock Exchange (Stock Code: 601866), respectively
“COSCO SHIPPING Energy”	COSCO SHIPPING Energy Transportation Co., Ltd.* (中遠海運能源運輸股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares and A shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1138) and the Shanghai Stock Exchange (Stock Code: 600026), respectively
“COSCO SHIPPING Finance”	COSCO SHIPPING Finance Company Limited* (中遠海運集團財務有限責任公司), a company established under the laws of the PRC with limited liability and a non-wholly owned subsidiary of COSCO SHIPPING
“COSCO SHIPPING Lines”	COSCO SHIPPING Lines Co., Ltd.* (中遠海運集裝箱運輸有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“COSCO SHIPPING Logistics”	COSCO SHIPPING Logistics Co., Ltd.* (中遠海運物流有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
“COSCO SHIPPING Specialized”	COSCO SHIPPING Specialized Carriers Co., Ltd.* (中遠海運特種運輸股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and the A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600428)
“COSCO SHIPPING Specialized Group”	COSCO SHIPPING Specialized and its subsidiaries
“COSCO Shipyard”	COSCO Shipyard Group Co., Ltd.* (中遠船務工程集團有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
“COSCO Tianjin”	COSCO (Tianjin) Co., Ltd.* (中遠海運(天津)有限公司), formerly known as COSCO Bulk Carrier Co., Ltd.* (中遠散貨運輸有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
“COSCO Xiamen”	COSCO (Xiamen) Co., Ltd.* (中遠海運(廈門)有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
“Director(s)”	director(s) of the Company

“Equity Transfer Agreement”	the equity transfer agreement entered into the Company, COSCO International Freight and each of the Selling Shareholders, pursuant to which the Company conditionally agrees to purchase, COSCO International Freight and the Selling Shareholders conditionally agree to sell an aggregate of 15.1258% of the equity interests of COSCO SHIPPING Finance
“Group”	the Company and its subsidiaries
“Guangzhou Ocean”	Guangzhou Ocean Shipping Co., Ltd.* (廣州遠洋運輸有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING Specialized
“H Share(s)”	the overseas listed foreign shares in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Non-selling Shareholder(s)”	collectively, (1) COSCO SHIPPING, (2) COSCO SHIPPING Lines, (3) COSCO SHIPPING Energy, and (4) COSCO SHIPPING Specialized
“Post-restructuring Shareholder(s)”	collectively, (1) the Company, (2) COSCO SHIPPING Lines, (3) COSCO SHIPPING, (4) COSCO, (5) COSCO SHIPPING Development, (6) COSCO SHIPPING Energy, (7) COSCO SHIPPING Specialized, and (8) COSCO SHIPPING Logistics
“PRC”	the People’s Republic of China
“PRC Company Law”	PRC Company Law (《中華人民共和國公司法》) and its amendments issued from time to time
“Right of First Refusal”	the right of first refusal conferred to the Non-selling Shareholders under the Shareholding Restructuring pursuant to the PRC Company Law
“RMB”	Renminbi, the lawful currency of the PRC



“Selling Shareholder(s)”	collectively, (1) COSCO Tianjin, (2) COSCO Qingdao, (3) COSCO Xiamen, (4) China Bunker, (5) COSCO Shipbuilding, and (6) COSCO Shipyard
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholding Restructuring”	the proposed transfer of the equity interests of COSCO SHIPPING Finance under (1) the Equity Transfer Agreement, (2) the equity transfer agreement entered into by COSCO and COSCO SHIPPING Development dated 19 May 2022, (3) the equity transfer agreement entered into by COSCO SHIPPING Logistics, China Agency and China Tally dated 19 May 2022, and (4) the equity transfer agreement entered into by COSCO SHIPPING Specialized and Guangzhou Ocean dated 19 May 2022
“%”	per cent

The exchange rate used for reference purpose in this announcement is RMB1.00 to HK\$1.20.

By Order of the Board  
**COSCO SHIPPING Holdings Co., Ltd.\***  
**Guo Huawei**  
*Company Secretary*

Shanghai, the People’s Republic of China  
19 May 2022

*As at the date of this announcement, the Directors are Mr. WAN Min<sup>1</sup> (Chairman), Mr. HUANG Xiaowen<sup>1</sup> (vice chairman), Mr. YANG Zhijian<sup>1</sup>, Mr. WU Dawei<sup>2</sup>, Mr. ZHOU Zhonghui<sup>2</sup>, Mr. TEO Siong Seng<sup>2</sup> and Prof. MA, Si Hang Frederick<sup>2</sup>.*

<sup>1</sup> *Executive Director*

<sup>2</sup> *Independent non-executive Director*

\* *For identification purpose only*