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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)

**DISCLOSEABLE TRANSACTIONS AND
CONNECTED TRANSACTIONS ACQUISITION OF LISTED SECURITIES
AND
SHIPBUILDING TRANSACTIONS**

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



ACQUISITION OF LISTED SECURITIES

On 28 October 2022, the Company entered into the SIPG Share Transfer Agreement with COSCO SHIPPING, pursuant to which the Company has agreed to purchase and COSCO SHIPPING has agreed to sell 3,476,051,198 SIPG Shares (representing approximately 14.93% of the equity interest in SIPG as at the date of this announcement) at the total consideration of RMB18,944,479,029.10 (equivalent to approximately HK\$20,838,926,932.01).

On 28 October 2022, the Company entered into the Guangzhou Port Share Transfer Agreement with COSCO, pursuant to which the Company has agreed to purchase and COSCO has agreed to sell 244,105,940 Guangzhou Port Shares (representing approximately 3.24% of the equity interest in Guangzhou Port as at the date of this announcement) at the total consideration of RMB778,697,948.60 (equivalent to approximately HK\$856,567,743.46).

SHIPBUILDING CONTRACTS

On 28 October 2022, the COSCO MERCURY Buyer, as the buyer, entered into five COSCO MERCURY Shipbuilding Contracts on substantially the same terms with Dalian COSCO KHI, as the builder, for the construction of five units of the COSCO MERCURY Vessels for a consideration of US\$239.85 million (equivalent to approximately HK\$1,870.83 million) for each COSCO MERCURY Vessel and for an aggregate consideration of US\$1,199.25 million (equivalent to approximately HK\$9,354.15 million) for all five COSCO MERCURY Vessels.

On 28 October 2022, the OOIL Buyers (seven indirect wholly-owned subsidiaries of OOIL, and therefore indirect subsidiaries of the Company), as the buyers, respectively entered into seven OOIL Shipbuilding Contracts on substantially the same terms with Nantong COSCO KHI, as the builder, for the construction of seven units of the OOIL Vessels for a consideration of US\$239.85 million (equivalent to approximately HK\$1,870.83 million) for each OOIL Vessel and for an aggregate consideration of US\$1,678.95 million (equivalent to approximately HK\$13,095.81 million) for all the OOIL Vessels.

LISTING RULES IMPLICATIONS

As at the date of this announcement, COSCO SHIPPING and its associates control or are entitled to exercise control over approximately 46.94% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company. Further, COSCO is a wholly-owned subsidiary of COSCO SHIPPING, and therefore is also a connected person of the Company.

Accordingly, the Acquisition of SIPG Shares from COSCO SHIPPING by the Company, and the Acquisition of Guangzhou Port Shares from COSCO by the Company constitute connected transactions of the Company under the Hong Kong Listing Rules.

The Acquisition of THL, the Acquisition of COSCO SHIPPING Finance, the Capital Increase by the Group, the Acquisition of COSCO SHIPPING Supply Chain, the Acquisition of SIPG Shares, and the Acquisition of Guangzhou Port Shares 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 SIPG Shares (when aggregated with the Acquisition of THL, the Acquisition of COSCO SHIPPING Finance, the Capital Increase by the Group, the Acquisition of COSCO SHIPPING Supply Chain and the Acquisition of Guangzhou Port Shares) and the Acquisition of Guangzhou Port Shares (when aggregated with the Acquisition of THL, the Acquisition of COSCO SHIPPING Finance, the Capital Increase by the Group, the Acquisition of COSCO SHIPPING Supply Chain and the Acquisition of SIPG Shares) exceeds 5% but are all less than 25%, the Acquisition of SIPG Shares and the Acquisition of Guangzhou Port Shares constitute discloseable transactions and connected transactions of the Company subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

As at the date of this announcement, Nantong COSCO KHI is an associate of COSCO SHIPPING which indirectly holds 50% equity interest in Nantong COSCO KHI, and Dalian COSCO KHI is an indirect subsidiary of COSCO SHIPPING. COSCO SHIPPING holds 36% equity interest, and Nantong COSCO KHI directly holds 30% equity interest, respectively, in Dalian COSCO KHI. Accordingly, both Dalian COSCO KHI and Nantong COSCO KHI are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules, and the transactions under the COSCO MERCURY Shipbuilding Contracts and the OOIL Shipbuilding Contracts constitute connected transactions of the Company.

Accordingly, the Shipbuilding Transactions constitute a series of transactions made within a 12-month period and shall be aggregated pursuant to Rule 14.22 and Rule 14A.81 of the Hong Kong Listing Rules. As one or more of the applicable percentage ratios in respect of the Shipbuilding Transactions exceeds 5% but are all less than 25%, the Shipbuilding Transactions constitute discloseable transactions and connected transactions of the Company subject to the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

I. DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS IN RESPECT OF THE ACQUISITION OF LISTED SECURITIES

1. SIPG Share Transfer Agreement

On 28 October 2022, the Company entered into the SIPG Share Transfer Agreement with COSCO SHIPPING, pursuant to which the Company has agreed to purchase and COSCO SHIPPING has agreed to sell 3,476,051,198 SIPG Shares (representing approximately 14.93% of the equity interest in SIPG as at the date of this announcement) at the total consideration of RMB18,944,479,029.10 (equivalent to approximately HK\$20,838,926,932.01).

Particulars of the SIPG Share Transfer Agreement are set forth below:

Parties: (i) the Company (as purchaser); and
(ii) COSCO SHIPPING (as vendor)

Nature of transaction: the Company has agreed to purchase and COSCO SHIPPING has agreed to sell 3,476,051,198 SIPG Shares (representing approximately 14.93% of the equity interest in SIPG as at the date of this announcement) at the total consideration of RMB18,944,479,029.10 (equivalent to approximately HK\$20,838,926,932.01)

Consideration

The total consideration under the SIPG Share Transfer Agreement is RMB18,944,479,029.10 (i.e. RMB5.45 per SIPG Share, equivalent to approximately HK\$6.00 per SIPG Share) is payable in cash by the Company in the following manner:

- (i) within five (5) business days immediately after the date of the SIPG Share Transfer Agreement, the Company shall pay 30% of the total consideration under the SIPG Share Transfer Agreement (i.e. RMB5,683,343,708.73) to COSCO SHIPPING, as the deposits for the Acquisition of SIPG Shares (the “**Deposits**”). Upon the SIPG Share Transfer Agreement becoming effective, such payment of the Deposits shall be regarded as due payment of 30% of the total consideration for the Acquisition of SIPG Shares; and
- (ii) the Company shall, within thirty (30) business days after the fulfilment and/or waiver of the conditions precedent under the SIPG Share Transfer Agreement, pay the remaining 70% of the total consideration under the SIPG Share Transfer Agreement (i.e. RMB13,261,135,320.37, subject to adjustment as set out in the paragraph headed “Adjustment of Consideration” below) to COSCO SHIPPING in a lump sum.

The total consideration for the Acquisition of SIPG Shares will be funded entirely by the own funds or self-raised funds of the Company.

The consideration for the Acquisition of SIPG Shares was determined after arm’s length negotiations between the parties to the SIPG Share Transfer Agreement, which is based on the higher of (i) the audited net asset per SIPG Share for the financial year ended 31 December 2021 (i.e. RMB4.29 per SIPG Share), and (ii) the arithmetic average of the daily weighted average market prices of the SIPG Shares over (30) trading days immediately prior to the holding announcement of SIPG in relation to the Acquisition of SIPG Shares (i.e. RMB5.45 per SIPG Share).

The consideration for the Acquisition of SIPG Shares (i.e. RMB5.45 per SIPG Share, equivalent to approximately HK\$6.00 per SIPG Share) represents:

- (i) a premium of approximately 3.42% from the closing price of RMB5.27 per SIPG Share as quoted on the Shanghai Stock Exchange on the trading day immediately preceding the date of the SIPG Share Transfer Agreement;
- (ii) a premium of approximately 3.02% from the average closing price of RMB5.29 per SIPG Share as quoted on the Shanghai Stock Exchange on the last five (5) consecutive trading days immediately preceding the date of the SIPG Share Transfer Agreement; and
- (iii) no premium to the average closing price of RMB5.45 per SIPG Share as quoted on the Shanghai Stock Exchange on the last thirty (30) consecutive trading days immediately preceding the date of the SIPG Share Transfer Agreement.

Adjustment of Consideration

If SIPG conducts any distribution of cash dividend, bonus issue, capitalization of capital reserve or any other ex-right and ex-dividend matters before the completion of the Acquisition of SIPG Shares, the number of SIPG Shares under the SIPG Share Transfer Agreement and consideration per SIPG Share for the Acquisition of SIPG Shares shall be adjusted accordingly in line with relevant applicable rules and regulations. As at the date of this announcement, the Directors have not been aware of any change to the amount of total consideration for the Acquisition of SIPG Shares.

Conditions of Effectiveness of Agreement

The SIPG Share Transfer Agreement shall be effective from the date on which all of the following conditions have been satisfied:

- (i) the duly execution of the SIPG Share Transfer Agreement by the legal representatives or authorized representatives of the parties thereto affixing with company seal;
- (ii) the completion of relevant internal approval procedures in respect of the execution and performance of the SIPG Share Transfer Agreement by the parties thereto in accordance with their respective articles of association and applicable laws;
- (iii) the approvals in respect of the Acquisition of SIPG Shares by relevant governmental department, state-owned asset supervision department and its authorized stated-owned enterprises; and
- (iv) the completion of filing with information management system for listed state-owned companies in respect of the Acquisition of SIPG Shares and the obtaining of registration form with unified number.

Conditions Precedent

The completion of the Acquisition of SIPG Shares is conditional upon the following conditions being satisfied or waived (if applicable) on or before 31 December 2022:

- (i) the SIPG Share Transfer Agreement having become effective;
- (ii) there being no material and adverse change of the business, operation, assets, indebtedness, profits or prospects of SIPG and its subsidiaries since the date of the execution of the SIPG Share Transfer Agreement (except for changes inevitably arising from matters that COSCO SHIPPING has disclosed to the Company before signing the SIPG Share Transfer Agreement);
- (iii) there being no breaching under the SIPG Share Transfer Agreement and the representation, statements and warranties given by both parties to the SIPG Share Transfer Agreement remaining constantly valid, true, accurate and not misleading; and
- (iv) all necessary filings, ratifications, approvals and approval procedures (including obtaining confirmation opinions on the transfer agreement issued by the Shanghai Stock Exchange, and the approval by the Independent Shareholders at the general meeting of the Company) having been completed by both parties prior to the completion of the Acquisition of SIPG Shares.

Unless otherwise agreed by the parties thereto, the above conditions precedent (ii) and (iii) may be mutually waived by the parties in the event that such conditions precedent have not been fulfilled on or before 31 December 2022. For the avoidance of doubt, the above conditions precedent (i) and (iv) cannot be waived.

If any of the above conditions precedent have not been fulfilled or waived on or before 31 December 2022, or any other later date as mutually agreed by the parties thereto, (i) the contracting parties will no longer be entitled to the rights under the agreement, nor be bound by the obligations and responsibilities under the agreement (except for the responsibilities of any party for the breach of contract before the termination of the agreement and as otherwise provided in the agreement); and (ii) the contracting parties shall make reasonable and necessary efforts to revoke the documents relating to the performance of the agreement and terminate its validity. At the meantime, COSCO SHIPPING shall return the consideration amounts (including the Deposits) paid by the Company, together with the interests thereof based on the bank loan interest rate for the corresponding period to the Company.

Completion of Registration

The completion of registration in relation to the transfer of the SIPG Shares under the Acquisition of the SIPG Shares shall be subject to the following conditions:

- (i) the obtaining of the approvals in respect of the Acquisition of SIPG Shares by relevant governmental department, state-owned asset supervision department and its authorized stated-owned enterprises;
- (ii) the settlement of the total consideration by the Company in accordance with the time and conditions under the SIPG Share Transfer Agreement; and
- (iii) the fulfilment of other transfer conditions as required by the share registration authority.

Within fifteen (15) business days after all the conditions above having been satisfied, the parties shall apply to China Securities Depository and Clearing Corporation Limited, or procure SIPG to apply for registration of the transfer of the SIPG Shares under the Acquisition of SIPG Shares with the Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited.

From the date on which the SIPG Shares under the SIPG Share Transfer Agreement have been transferred to and registered under the name of the Company, the Company shall be entitled to and responsible for the rights and obligations derived from those SIPG Shares.

As at the date of this announcement, the Company directly holds 144,498,514 SIPG Shares, representing approximately 0.62% of the equity interest in SIPG. Upon the completion of the Acquisition of SIPG Shares, assuming there will be no change to the share capital of SIPG before the completion, the Company will directly hold 3,620,549,712 SIPG Shares, representing approximately 15.55% of the equity interest in SIPG as at the date of this announcement. SIPG 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 SIPG and SIPG Group

Based on the published information of SIPG, SIPG is a joint stock company established under the laws of the PRC with limited liability, and was listed on the Shanghai Stock Exchange (600018.SH). It is mainly engaged in port-related business including container services, bulk cargo services, port logistics and port services.

The audited financial information of the SIPG Group for the two financial years ended 31 December 2021, and the unaudited financial information of the SIPG Group for the six months ended 30 June 2022, which are prepared in accordance with the PRC Accounting Standards for Enterprises, are set out as follows:

	For the year ended 31 December		For the six months ended 30 June
	2020	2021	2022
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>Approximately</i>	<i>Approximately</i>	<i>Approximately</i>
Profit before taxation	10,574,263	17,961,384	12,788,118
Profit after taxation	9,183,403	15,480,720	11,182,647
	As at 31 December		As at 30 June
	2020	2021	2022
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>Approximately</i>	<i>Approximately</i>	<i>Approximately</i>
Net Assets	95,979,600	107,805,629	113,976,932

2. Guangzhou Port Share Transfer Agreement

On 28 October 2022, the Company entered into the Guangzhou Port Share Transfer Agreement with COSCO, pursuant to which the Company has agreed to purchase and COSCO has agreed to sell 244,105,940 Guangzhou Port Shares (representing approximately 3.24% of the equity interest in Guangzhou Port as at the date of this announcement) at the total consideration of RMB778,697,948.60 (equivalent to approximately HK\$856,567,743.46).

Particulars of the Guangzhou Port Transfer Agreement are set forth below:

Parties: (i) the Company (as purchaser); and
(ii) COSCO (as vendor)

Nature of transaction: the Company has agreed to purchase and COSCO has agreed to sell 244,105,940 Guangzhou Port Shares (representing approximately 3.24% of the equity interest in Guangzhou Port as at the date of this announcement) at the total consideration of RMB778,697,948.60 (equivalent to approximately HK\$856,567,743.46)

Consideration

The total consideration under the Guangzhou Port Share Transfer Agreement is RMB778,697,948.60 (i.e. RMB3.19 per Guangzhou Port Share, equivalent to approximately HK\$3.51 per Guangzhou Port Share) is payable in cash by the Company in the following manner:

- (i) within five (5) business days immediately after the date of the Guangzhou Port Share Transfer Agreement, the Company shall pay 30% of the total consideration under the Guangzhou Port Share Transfer Agreement (i.e. RMB233,609,384.58) to COSCO, as the deposits for the Acquisition of Guangzhou Port Shares (the “**Deposits**”). Upon the Guangzhou Port Share Transfer Agreement becoming effective, such payment of the Deposits shall be regarded as due payment of 30% of the total consideration for the Acquisition of Guangzhou Port Shares; and
- (ii) the Company shall, within thirty (30) business days after the fulfilment and/or waiver of the conditions precedent under the Guangzhou Port Share Transfer Agreement, pay the remaining 70% of the total consideration under the Guangzhou Port Share Transfer Agreement (i.e. RMB545,088,564.02, subject to adjustment as set out in the paragraph headed “Adjustment of Consideration” below) to COSCO in a lump sum.

The total consideration for the Acquisition of Guangzhou Port Shares will be funded entirely by the internal resources of the Group.

The consideration for the Acquisition of Guangzhou Port Shares was determined after arm’s length negotiations between the parties to the Guangzhou Port Share Transfer Agreement, which is based on the higher of (i) the audited net asset per Guangzhou Port Share for the financial year ended 31 December 2021 (i.e. RMB2.37 per Guangzhou Port Share), and (ii) the arithmetic average of the daily weighted average market prices of the Guangzhou Port Shares over (30) trading days immediately prior to the holding announcement of Guangzhou Port in relation to the Acquisition of Guangzhou Port Shares (i.e. RMB3.19 per Guangzhou Port Share).

The consideration for the Acquisition of Guangzhou Port Shares (i.e. RMB3.19 per Guangzhou Port Share, equivalent to approximately HK\$3.51 per Guangzhou Port Share) represents:

- (i) a premium of approximately 0.95% from the closing price of RMB3.16 per Guangzhou Port Share as quoted on the Shanghai Stock Exchange on the trading day immediately preceding the date of the Guangzhou Port Share Transfer Agreement;
- (ii) a premium of approximately 2.24% from the average closing price of RMB3.12 per Guangzhou Port Share as quoted on the Shanghai Stock Exchange on the last five (5) consecutive trading days immediately preceding the date of the Guangzhou Port Share Transfer Agreement; and
- (iii) no premium to the average closing price of RMB3.19 per Guangzhou Port Share as quoted on the Shanghai Stock Exchange on the last thirty (30) consecutive trading days immediately preceding the date of the Guangzhou Port Share Transfer Agreement.

Adjustment of Consideration

If Guangzhou Port conducts any distribution of cash dividend, bonus issue, capitalization of capital reserve or any other ex-right and ex-dividend matters before the completion of the Acquisition of Guangzhou Port Shares, the number of Guangzhou Port Shares under the Guangzhou Port Share Transfer Agreement and consideration per Guangzhou Port Share for the Acquisition of Guangzhou Port Shares shall be adjusted accordingly in line with relevant applicable rules and regulations. As at the date of this announcement, the Directors have not been aware of any change to the amount of total consideration for the Acquisition of Guangzhou Port Shares.

Conditions of Effectiveness of Agreement

The Guangzhou Port Share Transfer Agreement shall be effective from the date on which all of the following conditions have been satisfied:

- (i) the duly execution of the Guangzhou Port Share Transfer Agreement by the legal representatives or authorized representatives of the parties thereto affixing with company seal;
- (ii) the completion of relevant internal approval procedures in respect of the execution and performance of the Guangzhou Port Share Transfer Agreement by the parties thereto in accordance with their respective articles of association and applicable laws;
- (iii) the approvals in respect of the Acquisition of Guangzhou Port Shares by relevant governmental department, state-owned asset supervision department and its authorized stated-owned enterprises; and
- (iv) the completion of filing with information management system for listed state-owned companies in respect of the Acquisition of Guangzhou Port Shares and the obtaining of registration form with unified number.

Conditions Precedent

The completion of the Acquisition of Guangzhou Port Shares is conditional upon the following conditions being satisfied or waived (if applicable) on or before 31 December 2022:

- (i) the Guangzhou Port Share Transfer Agreement having become effective;
- (ii) there being no material and adverse change of the business, operation, assets, indebtedness, profits or prospects of Guangzhou Port and its subsidiaries since the date of the execution of the Guangzhou Port Share Transfer Agreement (except for changes inevitably arising from matters that COSCO has disclosed to the Company before signing the Guangzhou Port Share Transfer Agreement);
- (iii) there being no breaching under the Guangzhou Port Share Transfer Agreement and the representation, statements and warranties given by both parties to the Guangzhou Port Share Transfer Agreement remaining constantly valid, true and accurate and not misleading; and

- (iv) all necessary filings, ratifications, approvals and approval procedures (including obtaining confirmation opinions on the transfer agreement issued by the Shanghai Stock Exchange, and the approval by the Independent Shareholders at the general meeting of the Company) having been completed by both parties prior to the completion of the Acquisition of Guangzhou Port Shares.

Unless otherwise agreed by the parties thereto, the above conditions precedent (ii) and (iii) may be mutually waived by the parties in the event that such conditions precedent have not been fulfilled on or before 31 December 2022. For the avoidance of doubt, the above conditions precedent (i) and (iv) cannot be waived.

If any of the above conditions precedent have not been fulfilled or waived on or before 31 December 2022, or any other later date as mutually agreed by the parties thereto, (i) the contracting parties will no longer be entitled to the rights under the agreement, nor be bound by the obligations and responsibilities under the agreement (except for the responsibilities of any party for the breach of contract before the termination of the agreement and as otherwise provided in the agreement); and (ii) the contracting parties shall make reasonable and necessary efforts to revoke the documents relating to the performance of the agreement and terminate its validity. At the meantime, COSCO shall return the consideration amounts (including the Deposits) paid by the Company, together with the interests thereof based on the bank loan interest rate for the corresponding period to the Company.

Completion of Registration

The completion of registration in relation to the transfer of the Guangzhou Port Shares under the Acquisition of the Guangzhou Port Shares shall be subject to the following conditions:

- (i) the obtaining of the approvals in respect of the Acquisition of Guangzhou Port Shares by relevant governmental department, state-owned asset supervision department and its authorized stated-owned enterprises;
- (ii) the settlement of the total consideration by the Company in accordance with the time and conditions under the Guangzhou Port Share Transfer Agreement; and
- (iii) the fulfilment of other transfer conditions as required by the share registration authority.

Within fifteen (15) business days after all the conditions above having been satisfied, the parties shall apply to China Securities Depository and Clearing Corporation Limited, or procure Guangzhou Port to apply for registration of the transfer of the Guangzhou Port Shares under the Acquisition of Guangzhou Port Shares with the Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited.

From the date on which the Guangzhou Port Shares under the Guangzhou Port Share Transfer Agreement have been transferred to and registered under the name of the Company, the Company shall be entitled to and responsible for the rights and obligations derived from those Guangzhou Port Shares.

As at the date of this announcement, the Company indirectly holds 246,582,088 Guangzhou Port Shares, representing approximately 3.27% of the equity interest in Guangzhou Port. Upon the completion of the Acquisition of Guangzhou Port Shares, assuming there will be no change to the share capital of Guangzhou Port before the completion, the Company will directly and indirectly hold 490,688,028 Guangzhou Port Shares, representing approximately 6.50% of the equity interest in Guangzhou Port as at the date of this announcement. Guangzhou Port 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 Guangzhou Port and Guangzhou Port Group

Based on the published information of Guangzhou Port, Guangzhou Port is a joint stock company established under the laws of the PRC with limited liability, and was listed on the Shanghai Stock Exchange (601228.SH). It is mainly engaged in port-related business including container services, bulk cargo services, port logistics and port services, as well as trading business.

The audited financial information of the Guangzhou Port Group for the two financial years ended 31 December 2021, and the unaudited financial information of the Guangzhou Port Group for the six months ended 30 June 2022, which are prepared in accordance with the PRC Accounting Standards for Enterprises, are set out as follows:

	For the year ended 31 December		For the six months ended 30 June
	2020	2021	2022
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>Approximately</i>	<i>Approximately</i>	<i>Approximately</i>
Profit before taxation	1,381,418	1,608,494	967,316
Profit after taxation	1,069,940	1,280,307	758,587
	As at 31 December		As at 30 June
	2020	2021	2022
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>Approximately</i>	<i>Approximately</i>	<i>Approximately</i>
Net Assets	16,714,814	17,801,215	18,119,577

3. Reasons for and Benefits of the Acquisition of SIPG Shares and the Acquisition of Guangzhou Port Shares

The Company is committed to providing customers with a supply chain solution of integrated container shipping + port + related logistics services and building a more resilient, globalized and digital supply chain service system. The Acquisition of SIPG Shares and the Acquisition of Guangzhou Port Shares are important measures for the Company to build a global digital supply chain for its customers, which could enable it to strengthen its role as an investment platform, and promote its transformation from shipping lane operations to full supply chain operations. After the completion of the Acquisition of SIPG Shares and the Acquisition of Guangzhou Port Shares, the Company will be able to further deepen the strategic partnership with SIPG and Guangzhou Port, and strengthen the integration and synergy of different links in supply chain, promote the participation of all parties in the construction of digital shipping through capital investment, and contribute to the construction of a new development pattern regarding the inbound digital shipping, and the mutual flow of inbound and outbound digital shipping.

SIPG and Guangzhou Port are high-quality enterprises in the port industry. SIPG is a leading enterprise in the port industry in China. Its home port has ranked the first in the world in terms of container throughput for many years, and its operating income and net profit scale have been at the top of the list. Guangzhou Port is also a high standard port in southern China with comprehensive advantages in terms of domestic and foreign trade, and maintained a stable operating income and net profit in recent years. The Acquisition of SIPG Shares and the Acquisition of Guangzhou Port Shares through direct equity investment in the two major port conglomerates are beneficial to the Company's consolidation of port industry resources, optimization of business deployment, improvement of the quality of operations and earnings, effective inhibition of cyclical risks, and enhancement of core competitiveness of full chain services.

4. Information on the Parties

(1) 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.

(2) 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.

(3) Information on COSCO

COSCO is a company incorporated under the laws of the PRC and a wholly-owned subsidiary of COSCO SHIPPING, which 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 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.

5. 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 46.94% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company. Further, COSCO is a wholly-owned subsidiary of COSCO SHIPPING, and therefore is also a connected person of the Company.

Accordingly, the Acquisition of SIPG Shares from COSCO SHIPPING by the Company, and the Acquisition of Guangzhou Port Shares from COSCO by the Company constitute connected transactions of the Company under the Hong Kong Listing Rules.

The Acquisition of THL, the Acquisition of COSCO SHIPPING Finance, the Capital Increase by the Group, the Acquisition of COSCO SHIPPING Supply Chain, the Acquisition of SIPG Shares, and the Acquisition of Guangzhou Port Shares 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 SIPG Shares (when aggregated with the Acquisition of THL, the Acquisition of COSCO SHIPPING Finance, the Capital Increase by the Group, the Acquisition of COSCO SHIPPING Supply Chain and the Acquisition of Guangzhou Port Shares) and the Acquisition of Guangzhou Port Shares (when aggregated with the Acquisition of THL, the Acquisition of COSCO SHIPPING Finance, the Capital Increase by the Group, the Acquisition of COSCO SHIPPING Supply Chain and the Acquisition of SIPG Shares) exceeds 5% but are all less than 25%, the Acquisition of SIPG Shares and the Acquisition of Guangzhou Port Shares constitute discloseable transactions and connected transactions of the Company subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14 and 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 the SIPG Share Transfer Agreement and the Guangzhou Port Share Transfer Agreement, and the transactions contemplated thereunder pursuant to the Articles of Association. 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 the SIPG Share Transfer Agreement and the Guangzhou Port Share Transfer Agreement, and the transactions contemplated thereunder and was required to abstain from voting on the relevant resolutions. Based on the reasons as stated above, the Directors (other than Mr. Wan Min, Mr. Huang Xiaowen, and Mr. Yang Zhijian who have abstained from voting and expressing opinion on the relevant resolutions of the Board) are of the view that the SIPG Share Transfer Agreement and the Guangzhou Port Share Transfer Agreement are entered into on normal commercial terms, and that the terms of the SIPG Share Transfer Agreement and the Guangzhou Port Share Transfer Agreement, and the transactions contemplate thereunder are fair and reasonable and in the interests of the Shareholders as a whole.

II. DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS IN RESPECT OF THE SHIPBUILDING TRANSACTIONS

1. COSCO MERCURY Shipbuilding Transactions

On 28 October 2022, the COSCO MERCURY Buyer, as the buyer, entered into five COSCO MERCURY Shipbuilding Contracts on substantially the same terms with Dalian COSCO KHI, as the builder, for the construction of five units of the COSCO MERCURY Vessels for a consideration of US\$239.85 million (equivalent to approximately HK\$1,870.83 million) for each COSCO MERCURY Vessel and for an aggregate consideration of US\$1,199.25 million (equivalent to approximately HK\$9,354.15 million) for all five COSCO MERCURY Vessels.

Contract Terms

The terms of the COSCO MERCURY Shipbuilding Contracts (including the consideration for each of the COSCO MERCURY Vessels) were determined on an arm's length basis and on normal commercial terms (based on price comparable to market price agreed between a willing buyer and a willing seller, payment terms, technical terms and delivery dates that meet COSCO MERCURY's requirements), pursuant to the negotiation process referred to in the paragraph headed "Reasons for and Benefits of the Shipbuilding Transactions" below.

Under each of the COSCO MERCURY Shipbuilding Contracts, the COSCO MERCURY Buyer shall pay the respective consideration of US\$239.85 million (equivalent to approximately HK\$1,870.83 million) in cash in five instalments based on progress intervals on the construction of each COSCO MERCURY Vessel.

The COSCO MERCURY Vessels are expected to be delivered between February 2027 and June 2028, subject to the arrangements of early delivery or delay in delivery as agreed in the COSCO MERCURY Shipbuilding Contracts (the maximum liquidated damages payable to the COSCO MERCURY Buyer by Dalian COSCO KHI shall be approximately US\$10.635 million per COSCO MERCURY Vessel in case of delay in delivery).

In the event that any of the COSCO MERCURY Shipbuilding Contracts is terminated by the COSCO MERCURY Buyer in accordance with the specific terms thereof, Dalian COSCO KHI shall refund to the COSCO MERCURY Buyer in US Dollars the full amount already paid by the COSCO MERCURY Buyer to Dalian COSCO KHI, together with interest incurred thereof.

Source of Funds

The COSCO MERCURY Buyer currently plans that it will obtain financing for not more than 60% of the contract price of each COSCO MERCURY Vessel with the financing guaranteed by COSCO MERCURY which will be finalized before the delivery of the COSCO MERCURY Vessels, whilst the balance of the contract price will be funded from internal resources of COSCO MERCURY. If such financing arrangement could not be arranged, the full contract price of each COSCO MERCURY Vessel would be funded by internal resources of COSCO MERCURY, which is expected to be sufficient for this purpose.

2. OOIL Shipbuilding Transactions

On 28 October 2022, the OOIL Buyers (seven indirect wholly-owned subsidiaries of OOIL, and therefore indirect subsidiaries of the Company), as the buyers, respectively entered into seven OOIL Shipbuilding Contracts on substantially the same terms with Nantong COSCO KHI, as the builder, for the construction of seven units of the OOIL Vessels for a consideration of US\$239.85 million (equivalent to approximately HK\$1,870.83 million) for each OOIL Vessel and for an aggregate consideration of US\$1,678.95 million (equivalent to approximately HK\$13,095.81 million) for all the OOIL Vessels.

Contract Terms

The terms of the OOIL Shipbuilding Contracts (including the consideration for each OOIL Vessel) were determined on an arm's length basis and on normal commercial terms (based on price comparable to market price agreed between a willing buyer and a willing seller, payment terms, technical terms and delivery dates that meet OOIL's requirements), pursuant to the negotiation process referred to in the paragraph headed "Reasons for and Benefits of the Shipbuilding Transactions" below.

Under each of the OOIL Shipbuilding Contracts, the relevant OOIL Buyer shall pay the respective consideration of US\$239.85 million (equivalent to approximately HK\$1,870.83 million) in cash in five instalments based on progress intervals on the construction of each OOIL Vessel. OOCL (Assets) Holdings Inc., an indirect wholly-owned subsidiary of OOIL, as guarantor, would provide a letter of guarantee for each of the OOIL Vessels in favour of Nantong COSCO KHI, guaranteeing the respective OOIL Buyers' payment obligation under the respective OOIL Shipbuilding Contracts, as provided in the respective letters of guarantee.

The OOIL Vessels are expected to be delivered between the third quarter of 2026 and the third quarter of 2028 subject to any early delivery or delay in delivery, subject to the arrangements of early delivery or delay in delivery as agreed in the OOIL Shipbuilding Contracts (the maximum liquidated damages payable to the OOIL Buyer by Nantong COSCO KHI shall be approximately US\$13.50 million per OOIL Vessel in case of delay in delivery).

In the event that any of the OOIL Shipbuilding Contracts is terminated by the relevant OOIL Buyer in accordance with the specific terms thereof, Nantong COSCO KHI shall refund to the relevant OOIL Buyer in US Dollars the full amount already paid by the OOIL Buyer to Nantong COSCO KHI, together with interest incurred thereof.

Source of Funds

OOIL (a non-wholly owned subsidiary of the Company) currently plans that it will obtain financing for not more than 60% of the contract price of each OOIL Vessel with the financing guaranteed by OOIL which will be finalized before the delivery of the OOIL Vessels, whilst the balance of the contract price will be funded from internal resources of OOIL and its subsidiaries. If such financing arrangement could not be arranged, the full contract price of each OOIL Vessel would be funded by internal resources of OOIL and its subsidiaries, which is expected to be sufficient for this purpose.

3. Reasons for and Benefits of the Shipbuilding Transactions

The Shipbuilding Transactions are new measures of the Group to actively promote the development of using clean fuels in the fleet in accordance with the new trend of the green, low-carbon and smart shipping industry development, which help the Group to continue to reinforce its position in the industry. The dual-brand fleet has achieved a leapfrog development from “global shipping” to “shipping global”.

The Company has continuously implemented the concept of “energy saving, carbon reduction and green development” into the operation and management of the Company by adhering to the philosophy of environmental friendliness as well as balancing sustainable development and environmental protection. In order to actively respond to the green and low-carbon initiatives of our global customers, the vessels ordered under the Shipbuilding Transactions have been equipped with advanced green methanol dual-fuel technology, which is able to provide customers with green and low-carbon supply chain solutions, which is beneficial to driving the Group’s green, low-carbon and sustainable development.

The Shipbuilding Transactions are beneficial to our comprehensive consolidation of the competitive advantages of the east and west lane of the dual-brand, and achievement of balanced development of the global service network through the tiered layout of our shipping capacity. The vessels ordered under the Shipbuilding Transactions are all 24,000TEU container vessels. The design and construction of the vessels incorporate mainstream edge-cutting concepts and integrate many energy-saving, emission-reduction and smart vessel technologies, which will help consolidate the long-term cost advantages of the Group and enhance the core competitiveness of the Group.

4. Information on the Parties

(1) Information on COSCO MERCURY

COSCO MERCURY is a company incorporated in the Cayman Islands with limited liability and is a wholly-owned subsidiary of COSCO SHIPPING Lines. It is principally engaged in financing, shipbuilding and leasing in respect of container vessels.

(2) Information on COSCO SHIPPING Lines

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

(3) Information on OOIL Buyers

Each of Newcontainer No.143 (Marshall Islands) Shipping Inc., Newcontainer No.145 (Marshall Islands) Shipping Inc., Newcontainer No.146 (Marshall Islands) Shipping Inc., Newcontainer No.147 (Marshall Islands) Shipping Inc., Newcontainer No.148 (Marshall Islands) Shipping Inc., Newcontainer No.149 (Marshall Islands) Shipping Inc. and Newcontainer No.150 (Marshall Islands) Shipping Inc., is a company incorporated in Marshall Islands, and is an indirect wholly-owned subsidiary of OOIL. Each of them is established for the purpose of entering into the respective OOIL Shipbuilding Contracts.

(4) Information on OOIL

OOIL is a company incorporated in Bermuda with members' limited liability and listed on the Main Board of the Stock Exchange (stock code: 316), and a non-wholly owned subsidiary of the Company. It is principally engaged in the provision of container transport and logistics services.

(5) Information on Nantong COSCO KHI

Nantong COSCO KHI is a company established in the PRC and is an associate of COSCO SHIPPING, and in which each of COSCO SHIPPING and Kawasaki Heavy Industries Ltd. ("**Kawasaki**", a heavy industrial manufacturer whose shares are listed on the Tokyo and Nagoya Stock Exchanges) indirectly or directly holds 50% equity interest respectively. Nantong COSCO KHI is principally engaged in the business of manufacturing, sales and repairing of ships.

(6) Information on Dalian COSCO KHI

Dalian COSCO KHI is a company established in the PRC and is owned by COSCO SHIPPING, Kawasaki and Nantong COSCO KHI as to 36%, 34% and 30% respectively. Dalian COSCO KHI is principally engaged in the business of design, manufacturing, sales and repairing of ships (excluding military ships).

5. 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 46.94% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company.

Nantong COSCO KHI is an associate of COSCO SHIPPING which indirectly holds 50% equity interest in Nantong COSCO KHI, and Dalian COSCO KHI is an indirect subsidiary of COSCO SHIPPING. COSCO SHIPPING holds 36% equity interest, and Nantong COSCO KHI holds 30% equity interest, respectively, in Dalian COSCO KHI. Accordingly, both Dalian COSCO KHI and Nantong COSCO KHI are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules, and the transactions contemplated under the COSCO MERCURY Shipbuilding Contracts and OOIL Shipbuilding Contracts constitute connected transactions of the Company.

The Shipbuilding Transactions constitute a series of transactions made within a 12-month period and shall be aggregated pursuant to Rule 14.22 and Rule 14A.81 of the Hong Kong Listing Rules. As one or more of the applicable percentage ratios in respect of the Shipbuilding Transactions exceeds 5% but are all less than 25%, the Shipbuilding Transactions constitute discloseable transactions and connected transactions of the Company subject to the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14 and 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, have abstained from voting on the resolutions of the Board approving the Shipbuilding Transactions pursuant to the Articles of Association. 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 the Shipbuilding Transactions and was required to abstain from voting on the relevant resolutions. Based on the reasons as stated above, the Directors (other than Mr. Wan Min, Mr. Huang Xiaowen, and Mr. Yang Zhijian who have abstained from voting and expressing opinion on the relevant resolutions of the Board) are of the view that the Shipbuilding Transactions are entered into on normal commercial terms, and that the terms of the Shipbuilding Contracts are fair and reasonable and in the interests of the Shareholders as a whole.

III. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to the Hong Kong Listing Rules, the Independent Board Committee has been established to advise the Independent Shareholders as to whether (i) the Acquisition of Listed Securities and the Shipbuilding Transactions are entered into in the ordinary and usual course of business of the Company on normal commercial terms; and (ii) the terms of the Acquisition of Listed Securities, and the terms of the Shipbuilding Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and the Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

IV. EGM AND SUPPLEMENTAL CIRCULAR

A supplemental notice of the EGM will be despatched to the Shareholders in due course.

A supplemental circular containing, among other things, (i) further details of the Acquisition of Listed Securities; (ii) further details of the Shipbuilding Transactions; (iii) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders on the Acquisition of Listed Securities and the Shipbuilding Transactions; (iv) a letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition of Listed Securities and the Shipbuilding Transactions; and (v) other information as required under the Hong Kong Listing Rules, is expected to be despatched to the Shareholders on or around 9 November 2022.

DEFINITIONS

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

“Acquisition of COSCO SHIPPING Finance”	the purchase by the Company of the aggregate of 11.9246% of the equity interests in COSCO SHIPPING Finance Company Limited* (中遠海運集團財務有限責任公司), from COSCO (Tianjin) Co., Ltd.* (中遠海運(天津)有限公司), COSCO (Qingdao) Co., Ltd.* (中遠海運(青島)有限公司), COSCO (Xiamen) Co., Ltd.* (中遠海運(廈門)有限公司), China Marine Bunker (Petro China) Co., Ltd.* (中國船舶燃料有限責任公司), COSCO Shipbuilding Industry Company Ltd.* (中遠造船工業有限公司), and COSCO Shipyard Group Co., Ltd.* (中遠船務工程集團有限公司), which constituted a connected transaction of the Company, the details of which are contained in the announcement of the Company dated 19 May 2022
“Acquisition of COSCO SHIPPING Supply Chain”	the acquisition by COSCO SHIPPING Lines of approximately 13.46% of the equity interests in COSCO SHIPPING Supply Chain from COSCO SHIPPING Logistics at the consideration of RMB1,216,544,807.69, which constituted a connected transaction of the Company, the details of which are contained in the announcement of the Company dated 30 September 2022 Agreement
“Acquisition of Guangzhou Port Shares”	the proposed acquisition of 244,105,940 Guangzhou Port Shares from COSCO by the Company at the total consideration of RMB778,697,948.60 pursuant to the Guangzhou Port Share Transfer Agreement
“Acquisition of Listed Securities”	the Acquisition of SIPG Shares and the Acquisition of Guangzhou Port Shares
“Acquisition of SIPG Shares”	the proposed acquisition of 3,476,051,198 SIPG Shares from COSCO SHIPPING by the Company at the total consideration of RMB18,944,479,029.10 pursuant to the SIPG Share 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, the details of which are contained in the announcement of the Company dated 29 April 2022

“Articles of Association”	the articles of association of the Company as amended, revised or supplemented from time to time
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of Directors
“Builders”	Dalian COSCO KHI and Nantong COSCO KHI
“Capital Increase by the Group”	the increase in the registered capital of COSCO SHIPPING Finance Company Limited* (中遠海運集團財務有限責任公司) in the aggregate amount of RMB3,100,788,000.00 (equivalent to approximately HK\$3,720,945,600.00) to be contributed by the Company and COSCO SHIPPING Lines, which constituted a connected transaction of the Company, the details of which are contained in the announcement of the Company dated 19 May 2022
“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 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 (Stock Code: 601919)
“COSCO”	China Ocean Shipping Co., Ltd. (中國遠洋運輸有限公司), a PRC State-owned enterprise, the controlling Shareholder, and a wholly-owned subsidiary of COSCO SHIPPING
“COSCO MERCURY”	COSCO (CAYMAN) MERCURY CO. LTD., a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of COSCO SHIPPING Lines
“COSCO MERCURY Buyer”	COSCO MERCURY or its nominee(s) (i.e. single-vessel company(ies) wholly-owned by COSCO MERCURY)
“COSCO MERCURY Shipbuilding Contracts”	the five shipbuilding contracts all dated 28 October 2022 entered into by the COSCO MERCURY Buyer (as the buyer) with Dalian COSCO KHI (as the builder) regarding the construction of five units of the COSCO MERCURY Vessels respectively

“COSCO MERCURY Vessels”	five units of 24,000 TEU class dual fuel container vessels which will be constructed by Dalian COSCO KHI pursuant to the COSCO MERCURY Shipbuilding Contracts, and “COSCO MERCURY Vessel” means any of them
“COSCO SHIPPING”	China COSCO Shipping Corporation Limited* (中國遠洋海運集團有限公司), a PRC state-owned enterprise and the indirect controlling shareholder of the Company
“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
“COSCO SHIPPING Group”	COSCO SHIPPING and its subsidiaries and associates
“COSCO SHIPPING Lines”	COSCO SHIPPING Lines Co., Ltd.* (中遠海運集裝箱運輸有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Dalian COSCO KHI”	Dalian COSCO KHI Ship Engineering Co., Ltd.* (大連中遠海運川崎船舶工程有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of COSCO SHIPPING. Nantong COSCO KHI directly holds 30% equity interest in Dalian COSCO KHI
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to, among other things, consider and if thought fit, approve the connected transactions under the Acquisition of Listed Securities, and the connected transactions under the Shipbuilding Contracts
“Group”	the Company and its subsidiaries and associates
“Guangzhou Port”	Guangzhou Port Company Limited (廣州港股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the A shares of which are listed on the Shanghai Stock Exchange (601228.SH)
“Guangzhou Port Group”	Guangzhou Port and its subsidiaries
“Guangzhou Port Shares”	244,105,940 A shares of Guangzhou Port Shares to be transferred from COSCO to the Company pursuant to the Guangzhou Port Share Transfer Agreement

“Guangzhou Port Share Transfer Agreement”	the share transfer agreement entered into by the Company and COSCO on 28 October 2022, pursuant to which the Company has agreed to purchase and COSCO has agreed to sell 244,105,940 Guangzhou Port Shares at the total consideration of RMB778,697,948.60
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent board committee of the Board consisting of all the independent non-executive Directors
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on (i) the Acquisition of Listed Securities, and (ii) the Shipbuilding Contracts
“Independent Shareholders”	the Shareholders other than the COSCO SHIPPING Group and its associates
“Nantong COSCO KHI”	Nantong COSCO KHI Ship Engineering Co., Ltd.* (南通中遠海運川崎船舶工程有限公司), a company incorporated in the PRC with limited liability and an associate of COSCO SHIPPING which indirectly holds 50% equity interest in Nantong COSCO KHI
“OOIL”	Orient Overseas (International) Limited, a company incorporated in Bermuda with limited liability and listed on the Main Board of the Stock Exchange (Stock Code: 316) and a non-wholly owned subsidiary of the Company
“OOIL Buyers”	Newcontainer No.143 (Marshall Islands) Shipping Inc., Newcontainer No.145 (Marshall Islands) Shipping Inc., Newcontainer No.146 (Marshall Islands) Shipping Inc., Newcontainer No.147 (Marshall Islands) Shipping Inc., Newcontainer No.148 (Marshall Islands) Shipping Inc., Newcontainer No.149 (Marshall Islands) Shipping Inc. and Newcontainer No.150 (Marshall Islands) Shipping Inc., each a company incorporated in Marshall Islands, and each a single-vessel company wholly-owned by OOIL

“OOIL Group”	OOIL and its subsidiaries and associates
“OOIL Shipbuilding Contracts”	the seven shipbuilding contracts all dated October 28, 2022 entered into by the OOIL Buyers (as the buyers) with Nantong COSCO KHI (as the builder) regarding the construction of seven units of OOIL Vessels respectively
“OOIL Vessels”	seven units of 24,000 TEU class dual fuel container vessels which will be constructed by Nantong COSCO KHI pursuant to the OOIL Shipbuilding Contracts, and “OOIL Vessel” means any of them
“PRC”	the People’s Republic of China which, for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi yuan, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the share(s) of the Company
“SIPG”	Shanghai International Port (Group) Co., Ltd.* (上海國際港務(集團)股份有限公司), a company established in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (600018.SH)
“SIPG Group”	SIPG and its subsidiaries and associates
“SIPG Shares”	the 3,476,051,198 A shares of SIPG to be transferred from COSCO SHIPPING to the Company, pursuant to the SIPG Share Transfer Agreement
“SIPG Share Transfer Agreement”	the share transfer agreement entered into by the Company and COSCO SHIPPING on 28 October 2022, pursuant to which the Company has agreed to purchase and COSCO SHIPPING has agreed to sell 3,476,051,198 SIPG Shares at the total consideration of RMB18,944,479,029.10

“Shipbuilding Contracts”	the COSCO MERCURY Shipbuilding Contracts and the OOIL Shipbuilding Contracts
“Shipbuilding Transactions”	the transactions contemplated under the COSCO MERCURY Shipbuilding Contracts and the OOIL Shipbuilding Contracts
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$” or “US Dollar”	United States dollars, the lawful currency of the United States of America
“%”	per cent

The exchange rate used for reference purpose in this announcement is US\$1.00 to HK\$7.80 and RMB1.00 to HK\$1.10.

By Order of the Board
COSCO SHIPPING Holdings Co., Ltd.*
Xiao Junguang
Company Secretary

Shanghai, the People’s Republic of China
28 October 2022

As at the date of this announcement, the Directors are Mr. WAN Min¹ (Chairman), Mr. HUANG Xiaowen¹ (Vice Chairman), Mr. YANG Zhijian¹, Mr. WU Dawei², Mr. ZHOU Zhonghui², Mr. TEO Siong Seng² and Prof. MA, Si-hang Frederick².

¹ *Executive Director*

² *Independent non-executive Director*

* *For identification purpose only*