

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 HZL
AND
(2) THE PURCHASE OF COSCO SHIPPING PARK OFFICE AND
SHIPPING BUILDING OFFICE

THE HZL EQUITY TRANSFER AGREEMENT

On 12 December 2022, COSCO SHIPPING Lines (Shanghai) (an indirect wholly-owned subsidiary of the Company) and COSCO SHIPPING Property entered into the HZL Equity Transfer Agreement, pursuant to which COSCO SHIPPING Lines (Shanghai) agrees to purchase and COSCO SHIPPING Property agrees to sell 100% of the equity interests of HZL at a total consideration of approximately RMB1.191 billion (equivalent to approximately HK\$1.33 billion).

As at the date of this announcement, HZL is owned by COSCO SHIPPING Property as to 100%. Upon completion of the Acquisition of HZL, HZL will become a directly wholly-owned subsidiary of COSCO SHIPPING Lines (Shanghai), and therefore an indirect-wholly owned subsidiary of the Company, and the financial results of HZL will be consolidated into the consolidated financial statements of the Group.

THE COSCO SHIPPING PARK OFFICE SALE AND PURCHASE AGREEMENTS

On 12 December 2022, Haizhilan (an indirect wholly-owned subsidiary of the Company) entered into the COSCO SHIPPING Park Office Sale and Purchase Agreements with China Shipping Assets, pursuant to which Haizhilan agrees to purchase and China Shipping Assets agrees to sell the COSCO SHIPPING Park Office with the total gross floor area of approximately 21,159.54 square metres at the average price of approximately RMB32,230 per square metre (inclusive of construction cost for public area and value-added tax) and 200 car parking spaces at the price of RMB240,000 per unit, at a total consideration of approximately RMB730 million (equivalent to approximately HK\$817.60 million).

THE LETTER OF INTENT TO THE SALE AND PURCHASE OF SHIPPING BUILDING OFFICE

On 12 December 2022, COSCO SHIPPING Lines (Huanan) (an indirect wholly-owned subsidiary of the Company) entered into the Letter of Intent to the Sale and Purchase of Shipping Building Office with Hailong Real Estate, pursuant to which COSCO SHIPPING Lines (Huanan) agrees to purchase and Hailong Real Estate agrees to sell the Shipping Building Office with the total gross floor area of approximately 9,938.79 square metres at the price of approximately RMB52,300 per square metre (inclusive of construction cost and value-added tax), i.e. at the expected total consideration of approximately RMB520 million (equivalent to approximately HK\$582.40 million), the final consideration of which is subject to the measured area as set forth in the property ownership certificate. The commercial arrangements, terms and price of the transaction shall be subject to the final binding agreement to be entered by COSCO SHIPPING Lines (Huanan) and Hailong Real Estate.

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 41.94% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling Shareholder and therefore a connected person of the Company.

As at the date of this announcement, COSCO SHIPPING Property is an indirect wholly-owned subsidiary of COSCO SHIPPING. Accordingly, COSCO SHIPPING Property is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules, and therefore the Acquisition of HZL constitutes a connected transaction of the Company. As one or more of the applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules in respect of the Acquisition of HZL exceed 0.1% but are less than 5%, the Acquisition of HZL is subject to the reporting and announcement requirements, but is exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As at the date of this announcement, each of China Shipping Assets and Hailong Real Estate is an indirect wholly-owned subsidiary of COSCO SHIPPING. Accordingly, each of China Shipping Assets and Hailong Real Estate is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules, and therefore each of the Acquisition of COSCO SHIPPING Park Office and the Acquisition of Shipping Building Office constitutes a connected transaction of the Company.

Accordingly, the Acquisition of COSCO SHIPPING Park Office and the Acquisition of Shipping Building Office 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 of the applicable percentage ratios in respect of the Acquisition of COSCO SHIPPING Park Office and the Acquisition of Shipping Building Office (based on the maximum amount of the expected total consideration as agreed in the Letter of Intent to the Sale and Purchase of Shipping Building Office) and the Acquisition of exceed 0.1% but are less than 5%, such transactions are subject to the reporting and announcement requirements, but is exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

I. INTRODUCTION

On 12 December 2022, COSCO SHIPPING Lines (Shanghai) (an indirect wholly-owned subsidiary of the Company) and COSCO SHIPPING Property entered into the HZL Equity Transfer Agreement, pursuant to which COSCO SHIPPING Lines (Shanghai) agrees to purchase and COSCO SHIPPING Property agrees to sell 100% of the equity interests in HZL at a total consideration of approximately RMB1.191 billion (equivalent to approximately HK\$1.33 billion). As at the date of this announcement, HZL is owned by COSCO SHIPPING Property as to 100%. Upon completion of the Acquisition of HZL, HZL will become a direct wholly-owned subsidiary of COSCO SHIPPING Lines (Shanghai), and therefore an indirect wholly-owned subsidiary of the Company, and the financial results of HZL will be consolidated into the consolidated financial statements of the Group.

On 12 December 2022, Haizhilan (an indirect wholly-owned subsidiary of the Company) entered into the COSCO SHIPPING Park Office Sale and Purchase Agreements with China Shipping Assets, pursuant to which Haizhilan agrees to purchase and China Shipping Assets agrees to sell the COSCO SHIPPING Park Office with the total gross floor area of approximately 21,159.54 square metres at the average price of approximately RMB32,230 per square metre (inclusive of construction cost for public area and value-added tax) and 200 car parking spaces at the price of RMB240,000 per unit, at a total consideration of approximately RMB730 million (equivalent to approximately HK\$817.60 million).

On 12 December 2022, COSCO SHIPPING Lines (Huanan) (an indirect wholly-owned subsidiary of the Company) entered into the Letter of Intent to the Sale and Purchase of Shipping Building Office with Hailong Real Estate, pursuant to which COSCO SHIPPING Lines (Huanan) agrees to purchase and Hailong Real Estate agrees to sell the Shipping Building Office with the total gross floor area of approximately 9,938.79 square metres at the price of approximately RMB52,300 per square metre (inclusive of construction cost and value-added tax), i.e. at the expected total consideration of approximately RMB520 million (equivalent to approximately HK\$582.40 million), the final consideration of which is subject to the measured area as set forth in the property ownership certificate. The commercial arrangements, terms and price of the transaction shall be subject to the final binding agreement to be entered by COSCO SHIPPING Lines (Huanan) and Hailong Real Estate.

II. THE HZL EQUITY TRANSFER AGREEMENT

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

Date

12 December 2022

Parties

- (a) COSCO SHIPPING Property (as vendor); and
- (b) COSCO SHIPPING Lines (Shanghai) (as purchaser).

Subject matter

On 12 December 2022, COSCO SHIPPING Lines (Shanghai) (an indirect wholly-owned subsidiary of the Company) and COSCO SHIPPING Property entered into the HZL Equity Transfer Agreement, pursuant to which COSCO SHIPPING Lines (Shanghai) agrees to purchase and COSCO SHIPPING Property agrees to sell 100% of the equity interests in HZL at a total consideration of approximately RMB1.191 billion (equivalent to approximately HK\$1.33 billion).

As at the date of this announcement, the principal asset of HZL is the HZL Office and the principal business of HZL is leasing of self-owned properties.

Consideration

The consideration payable under the HZL Equity Transfer Agreement was determined after arm's length negotiations between the parties thereto with reference to the assessed value of the net assets of HZL 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, and filed by the state-invested enterprise, by applying the asset-based approach, the value of the total shareholders' equity of HZL as at 31 December 2021 was RMB1,191,072,700.00 (equivalent to approximately HK\$1,334,001,424.00).

The consideration payable by COSCO SHIPPING Lines (Shanghai) under the HZL Equity Transfer Agreement will be financed by the own funds of COSCO SHIPPING Lines (Shanghai).

Payment Terms

COSCO SHIPPING Lines (Shanghai) shall pay the consideration of approximately RMB1.191 billion under the HZL Equity Transfer Agreement to the designated bank account of COSCO SHIPPING Property in one lump sum within five business days from the effective date of the HZL Equity Transfer Agreement.

Completion

As at the date of this announcement, the HZL Equity Transfer Agreement is not subject to any other approvals and other procedural requirements. The parties to the HZL Equity Transfer Agreement shall actively cooperate to complete the transfer of rights to HZL within 20 business days after the HZL Equity Transfer Agreement becomes effective, and cooperate with HZL to complete the registration required for the change of certificate of ownership in respect of the equity interests of HZL. The profits and losses in respect of the equity interests (or ownership interests) in HZL during the period from the base date of the transfer of ownership interests (31 December 2021) until the date on which the industrial and commercial change registration of the Acquisition of HZL is completed (or the registration date), shall be enjoyed or borne by COSCO SHIPPING Lines (Shanghai) accordingly.

Information on HZL and the HZL Office

Information on HZL

HZL is a company incorporated in the PRC with limited liability on 18 September 2021 and a wholly-owned subsidiary of COSCO SHIPPING Property. It is principally engaged in non-residential property leasing.

Based on the financial statements of HZL prepared in accordance with Enterprise Accounting Standards, the audited net profit before taxation and net profit after taxation of HZL for the year ended 31 December 2021 since the date of its incorporation are RMB2.45 and RMB1.84, respectively. The audited net assets of HZL as at 31 December 2021 amounted to RMB1,178,360,501.84.

Information on the HZL Office

The HZL Office comprises an office building, with total gross floor area of approximately 24,822.40 square metres, located at No. 678, Dongdaming Road, Shanghai, the PRC. The HZL Office is currently being leased to Tianfeng Securities Co., Ltd. (天風證券股份有限公司)(the “**HZL Tenant**”) as offices.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, according to the tenancy (the “**HZL Tenancy**”) between HZL and the HZL Tenant, HZL has the right to terminate the tenancy on 30 June 2025 by giving written notice to the HZL Tenant before 31 December 2024. As at the date of this announcement, the HZL Tenant has issued a written notification letter explicitly waiving its pre-emptive right. COSCO SHIPPING Lines (Shanghai) intends to utilize the HZL Office as its office upon the termination of the HZL Tenancy. The early termination of the HZL Tenancy will not result in any liability of default on the part of HZL.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, the 100% equity interests of HZL and the HZL Office are not subject to any mortgage, pledge or any other restrictions on transfer, and are not involved in any litigation, arbitration, or judicial measures such as seizure order or freezing order, or any other situations that would hinder the transfer of ownership.

Information on the Parties to the HZL Equity Transfer Agreement

Information on the Group

The Company is a joint stock limited company incorporated in the PRC, 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.

Information on COSCO SHIPPING Lines (Shanghai)

COSCO SHIPPING Lines (Shanghai) is a limited liability company incorporated in the PRC and is a wholly-owned subsidiary of COSCO SHIPPING Lines, and therefore an indirect wholly-owned subsidiary of the Company. It is principally engaged in freight forwarding and transportation.

Information on COSCO SHIPPING Property

COSCO SHIPPING Property is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in asset management, investment management, property investment, investment consulting, business consulting, enterprise management, enterprise management consulting, corporate image planning, marketing, management of self-owned properties (for items subject to approval according to the laws, business activities shall only be carried out after obtaining the relevant approval from the competent authorities).

III. THE COSCO SHIPPING PARK OFFICE SALE AND PURCHASE AGREEMENTS

The principal terms of the COSCO SHIPPING Park Office Sale and Purchase Agreements are set out below.

Date

12 December 2022

Parties

- (a) China Shipping Assets (as vendor); and
- (b) Haizhilan (as purchaser).

Subject matter

Haizhilan (an indirect wholly-owned subsidiary of the Company) entered into the COSCO SHIPPING Park Office Sale and Purchase Agreements with China Shipping Assets, pursuant to which Haizhilan agrees to purchase and China Shipping Assets agrees to sell the COSCO SHIPPING Park Office with the total gross floor area of approximately 21,159.54 square metres at the average price of approximately RMB32,230 per square metre (inclusive of construction cost for public area and value-added tax) and 200 car parking spaces at the price of RMB240,000 per unit, at a total consideration of approximately RMB730 million (equivalent to approximately HK\$817.60 million). Since China Shipping Assets is the developer of the COSCO SHIPPING Park Office, and the COSCO SHIPPING Park Office was invested and developed by China Shipping Assets, China Shipping Assets has no original acquisition cost in respect of the COSCO SHIPPING Park Office building itself.

Consideration

COSCO SHIPPING Park Building comprises commercial buildings developed and sold by China Shipping Assets to the public. The prices of the COSCO SHIPPING Park Office and comparable properties in the surrounding area are as follows:

Project	Address	Unit price (Range) (RMB ten thousand per square metre)
COSCO SHIPPING Park* (海尚智慧廣場)	No. 201, Shijie Road, Shanghai* (上海市世界路201號)	Approximately 3.223
Springs Center Phase II and III* (尚浦中心二、三期)	No.99, Jiangwancheng Road, Shanghai* (上海市江灣城路99號)	4.50-6.00
Jiayu Tianhui* (嘉御天薈)	Intersection of Yinhang Road and Zhenghe Road, Shanghai* (上海市殷行路政和路口)	4.00-4.50

As compared, the price of COSCO SHIPPING Park Office was determined after arm's length negotiation between the parties thereto in accordance with the principles of fairness and reasonableness based on comparison with comparable properties in the market.

Payment of Consideration

The total consideration shall be payable in full in one lump sum by Haizhilan to China Shipping Assets within 30 days from the date of signing the COSCO SHIPPING Park Office Sale and Purchase Agreements. The consideration payable by Haizhilan under the COSCO SHIPPING Park Office Sale and Purchase Agreements will be financed by the own funds of Haizhilan.

Other Key Terms

On the premise that Haizhilan has fulfilled each of its obligations as agreed to be fulfilled prior to the delivery in the COSCO SHIPPING Park Office Sale and Purchase Agreements, China Shipping Assets shall deliver the COSCO SHIPPING Park Office to Haizhilan before January 6, 2023. Haizhilan shall apply for the corresponding certificate of real estate ownership before June 30, 2023. As at the date of this announcement, the Acquisition of the COSCO SHIPPING Park Office is not subject to any other approvals and procedural requirements.

Information on the COSCO SHIPPING Park Office

The COSCO SHIPPING Park Office comprises five office buildings including office building D, E, F, G, H (excluding room 102) and 200 parking spaces of COSCO SHIPPING Park, with a total gross floor area of approximately 21,159.54 square metres, located at No. 201 Shijie Road, Yangpu District, Shanghai, the PRC. As at the date of this announcement, the COSCO SHIPPING Park Office is vacant. Haizhilan intends to purchase the COSCO SHIPPING Park Office as its office. The COSCO SHIPPING Park Office has not previously generated any income or profit.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, the COSCO SHIPPING Park Office is subject to a project development mortgage. Save for the above, the COSCO SHIPPING Park Office is not subject to any other restrictions on transfer, and is not involved in any litigation, arbitration, or judicial measures such as seizure order or freezing order, or any other situations that would hinder the transfer of ownership. Upon payment of the consideration by Haizhilan under the COSCO SHIPPING Park Office Sale and Purchase Agreements, China Shipping Assets will attend to the repayment and release procedures of the project development mortgage in respect of the COSCO SHIPPING Park Office.

Information on the Parties to the COSCO SHIPPING Park Office Sale and Purchase Agreements

Information on Haizhilan

Haizhilan is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company. It is principally engaged in leasing of self-owned properties.

Information on China Shipping Assets

China Shipping Assets is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in real estate development and operation; residential interior decoration; construction engineering construction; construction engineering design. (For items subject to approval according to the laws, business activities shall only be carried out after obtaining the relevant approval from the competent authorities, and the specific business activities are subject to the approval or permits of the competent authorities) General items: asset management, information consulting services (excluding licensing information consulting services), corporate management consulting, corporate image planning, marketing planning, leasing of non-residential properties, housing leasing, car park services, property management. (Except for items that are subject to approval according to the laws, business activities shall be carried out in accordance with the business license).

IV. THE LETTER OF INTENT TO THE SALE AND PURCHASE OF SHIPPING BUILDING OFFICE

The principal terms of the Letter of Intent to the Sale and Purchase of Shipping Building Office are set out below.

Date

12 December 2022

Parties

- (a) Hailong Real Estate (as vendor); and
- (b) COSCO SHIPPING Lines (Huanan) (as purchaser).

Subject matter

COSCO SHIPPING Lines (Huanan) (an indirect wholly-owned subsidiary of the Company) entered into the Letter of Intent to the Sale and Purchase of Shipping Building Office with Hailong Real Estate, pursuant to which COSCO SHIPPING Lines (Huanan) agrees to purchase and Hailong Real Estate agrees to sell the Shipping Building Office with the total gross floor area of approximately 9,938.79 square metres at the price of approximately RMB52,300 per square metre (inclusive of construction cost and value-added tax), at the expected total consideration of approximately RMB520 million (equivalent to approximately HK\$582.40 million), the final consideration of which is subject to the measured area as set forth in the property ownership certificate. The commercial arrangements, terms and price of the transaction shall be subject to the final binding agreement to be entered by COSCO SHIPPING Lines (Huanan) and Hailong Real Estate. Since Hailong Real Estate is the developer of the Shipping Building Office, and the Shipping Building Office was invested and developed by Hailong Real Estate, Hailong Real Estate has no original acquisition cost in respect of the Shipping Building Office building itself.

Consideration

The expected total consideration agreed in the Letter of Intent to the Sale and Purchase of Shipping Building Office was quoted to COSCO SHIPPING Lines (Huanan) with reference to the sales plan prepared by an independent third party evaluator.

The prices of Shipping Building Office and comparable properties in the surrounding area are as follows:

Project	Address	Unit price (RMB ten thousand per square metre)
Shipping Building Office	Area A, Pazhou Internet Innovation Cluster, Haizhu District, Guangzhou*(廣州市海珠區琶洲互聯網電商產業集聚區A區)	Approximately 5.23
17th, 20th, 23rd and 24th floors of GMC Tower* (環球夢大廈17層、20層、23層、24層)	Intersection of Yuejiang West Road and Huanan Bridge, Haizhu District, Guangzhou*(廣州市海珠區閱江西路與華南大橋交匯處)	Approximately 5.29
16th, 18th, 21st and 22nd floors of GOME Smart City* (國美智慧城16層、18層、21層、22層)	Plot AH040243, Pazhou, Haizhu District, Guangzhou*(廣州市海珠區琶洲AH040243地塊)	Approximately 5.39

As compared, the price of Shipping Building Office was determined after arm's length negotiation between the parties thereto in accordance with the principles of fairness and reasonableness based on comparison with comparable properties in the market.

Payment of Consideration and Deposit of Intent to Purchase

The deposit of intent to purchase of RMB100.00 million (equivalent to approximately HK\$112.00 million) shall be payable by COSCO SHIPPING Lines (Huanan) to Hailong Real Estate within seven working days upon the signing of the Letter of Intent to the Sale and Purchase of Shipping Building Office. The payment of the remainder of the expected total consideration shall be payable in accordance with the formal arrangement to be entered by Hailong Real Estate and COSCO SHIPPING Lines (Huanan). The expected total consideration payable by COSCO SHIPPING Lines (Huanan) under the Acquisition of Shipping Building Office will be financed by the own funds of COSCO SHIPPING Lines (Huanan). As of the date of this announcement, the Acquisition of Shipping Building Office is not subject to any other approvals and procedural requirements.

Arrangement of the Formal Agreement

COSCO SHIPPING Lines (Huanan) and Hailong Real Estate shall complete all formal transaction documents and online signing procedures within one month after the property ownership certificate of the Shipping Building Office has been obtained. The commercial arrangements, terms and price of the Acquisition of Shipping Building Office shall be subject to the final binding agreement to be entered by COSCO SHIPPING Lines (Huanan) and Hailong Real Estate.

Information on the Shipping Building Office

The Shipping Building Office comprises 19th to 22nd floors of Guangzhou International Shipping Building (excluding parking spaces), with total gross floor area of approximately 9,938.79 square metres, located at Area A, Pazhou Internet Innovation Cluster, Haizhu District, Guangzhou, the PRC. As at the date of this announcement, Guangzhou International Shipping Building is being developed by Hailong Real Estate, and has been structurally capped and is expected to be completed and delivered in June 2023. COSCO SHIPPING Lines (Huanan) intends to purchase the Shipping Building Office as its office. As the construction of the Shipping Building Office has not been completed as at the date of this announcement, the Shipping Building Office has not previously generated any income or profit.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Guangzhou International Shipping Building is currently mortgaged to a loaning bank. Save for the above, the Shipping Building Office is not subject to any mortgage, pledge or any other restrictions on transfer, and are not involved in any litigation, arbitration, or judicial measures such as seizure order or freezing order, or any other situations that would hinder the transfer of ownership. Hailong Real Estate will report to the bank before signing the formal agreement to ensure that the execution of the transaction will not be affected.

Information on the Parties to the Letter of Intent to the Sale and Purchase of Shipping Building Office

Information on COSCO SHIPPING Lines (Huanan)

COSCO SHIPPING Lines (Huanan) is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company. It is principally engaged in freight forwarding and shipping agency.

Information on Hailong Real Estate

Hailong Real Estate is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in real estate development and management, corporate image planning services, corporate management consulting services, corporate management services (excluding projects involving licensed operations), marketing planning and property management.

V. REASONS FOR AND BENEFITS OF THE ACQUISITION OF HZL, THE ACQUISITION OF COSCO SHIPPING PARK OFFICE AND THE ACQUISITION OF SHIPPING BUILDING OFFICE

The three office buildings to be acquired by the subsidiaries of the Company are located in Pazhou Internet Innovation Cluster, Haizhu District, Guangzhou, Hongkou North Bund Shipping Service Cluster Area, Shanghai(上海虹口北外灘航運服務聚集區), and Wujiaochang Knowledge Innovation District, Shanghai (上海五角場知識創新城區), respectively. These office buildings have superior geographical location, excellent construction quality and convenient transportation. The Acquisition of HZL, the Acquisition of COSCO SHIPPING Park Office and the Acquisition of Shipping Building Office will be beneficial for the subsidiaries of the Company to expand their business operation, improve management efficiency, serve customers better, and lay a solid foundation for future development. The above transactions will not have any material impact on the financial position and operating results of the Company.

Taking into account the above, the Board (including the independent non-executive Directors) considers that the terms of the HZL Equity Transfer Agreement, the COSCO SHIPPING Park Office Sale and Purchase Agreements and the Letter of Intent to the Sale and Purchase of Shipping Building Office are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

VI. 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 41.94% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling Shareholder and therefore a connected person of the Company.

As at the date of this announcement, COSCO SHIPPING Property is an indirect wholly-owned subsidiary of COSCO SHIPPING. Accordingly, COSCO SHIPPING Property is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules, and therefore the Acquisition of HZL constitutes a connected transaction of the Company. As one or more of the applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules in respect of the Acquisition of HZL exceed 0.1% but are less than 5%, the Acquisition of HZL is subject to the reporting and announcement requirements, but is exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As at the date of this announcement, each of China Shipping Assets and Hailong Real Estate is an indirect wholly-owned subsidiary of COSCO SHIPPING. Accordingly, each of China Shipping Assets and Hailong Real Estate is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules, and therefore each of the Acquisition of COSCO SHIPPING Park Office and the Acquisition of Shipping Building Office constitutes a connected transaction of the Company.

Accordingly, the Acquisition of COSCO SHIPPING Park Office and the Acquisition of Shipping Building Office 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 of the applicable percentage ratios in respect of the Acquisition of COSCO SHIPPING Park Office and the Acquisition of Shipping Building Office (based on the maximum amount of the expected total consideration as agreed in the Letter of Intent to the Sale and Purchase of Shipping Building Office) exceed 0.1% but are less than 5%, such transactions are subject to the reporting and announcement requirements, but is exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

The executive Directors, namely, Mr. Wan Min, Mr. Huang Xiaowen, Mr. Yang Zhijian, and Mr. Zhang Wei, as Directors nominated by COSCO Group (a controlling shareholder of the Company and a wholly-owned subsidiary of COSCO SHIPPING), have abstained from voting on the resolution of the Board approving the Acquisition of HZL, the Acquisition of COSCO SHIPPING Park Office and the Acquisition of Shipping Building Office 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 the Acquisition of HZL, the Acquisition of COSCO SHIPPING Park Office and the Acquisition of Shipping Building Office.

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 of COSCO SHIPPING Park Office”	the purchase by Haizhilan of the COSCO SHIPPING Park Office from China Shipping Assets at a total consideration of approximately RMB730 million pursuant to the COSCO SHIPPING Park Office Sale and Purchase Agreements
“Acquisition of HZL”	the purchase by COSCO SHIPPING Lines (Shanghai) of the 100% of the equity interests of HZL from COSCO SHIPPING Property at a total consideration of approximately RMB1.191 billion pursuant to the HZL Equity Transfer Agreement

“Acquisition of Shipping Building Office”	the purchase by COSCO SHIPPING Lines (Huanan) of the Shipping Building Office from Hailong Real Estate at a total consideration of approximately RMB520 million, the final consideration of which is subject to the measured area as set forth in the property ownership certificate. The arrangements, terms and price of the transaction shall be subject to the final binding agreement to be entered by COSCO SHIPPING Lines (Huanan) and Hailong Real Estate
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of Directors
“China Shipping Assets”	China SHIPPING (Shanghai) Assets Management Co., Ltd.* (中海海運(上海)資產經營管理有限公司), a limited liability company incorporated in the PRC and an indirect 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, 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 Group”	China Ocean Shipping Co., Ltd.* (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 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 Lines”	COSCO SHIPPING Lines Co., Ltd.* (中遠海運集裝箱運輸有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“COSCO SHIPPING Lines (Huanan)”	COSCO SHIPPING Lines (Huanan) Co., Ltd. * (華南中遠海運集裝箱運輸有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company

“COSCO SHIPPING Lines (Shanghai)”	COSCO SHIPPING Lines (Shanghai) Co., Ltd.* (上海中遠海運集裝箱運輸有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of COSCO SHIPPING Lines
“COSCO SHIPPING Park Office”	five office buildings including office building D, E, F, G, H (excluding room 102) and 200 parking spaces of COSCO SHIPPING Park, located at No. 201 Shijie Road, Yangpu District, Shanghai, the PRC* (中國上海市楊浦區世界路 201 號海尚智慧廣場)
“COSCO SHIPPING Park Office Sale and Purchase Agreements”	the sale and purchase agreements entered into between Haizhilan and China Shipping Assets on 12 December 2022, pursuant to which Haizhilan agrees to purchase and China Shipping Assets agrees to sell the COSCO SHIPPING Park Office at the total consideration of approximately RMB730 million (equivalent to approximately HK\$817.60 million) on substantially the same terms for a total gross floor area of approximately 21,159.54 square metres
“COSCO SHIPPING Property”	COSCO SHIPPING Property Co., Ltd.* (中遠海運資產經營管理有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of COSCO SHIPPING
“Director(s)”	director(s) of the Company
“Enterprise Accounting Standards”	the Accounting Standards for Business Enterprises of the PRC issued by the Ministry of Finance in the PRC
“Group”	the Company and its subsidiaries
“Hailong Real Estate”	Guangzhou Hailong Real Estate Co., Ltd.* (廣州海龍置業有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of COSCO SHIPPING
“Haizhilan”	Shanghai Haizhilan Real Estate Co., Ltd.* (上海海至藍實業有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“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

“HZL”	Shanghai Haizhenlan Real Estate Co., Ltd. * (上海海真藍實業有限公司), a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of COSCO SHIPPING Property
“HZL Equity Transfer Agreement”	the equity transfer agreement entered into between COSCO SHIPPING Lines (Shanghai) and COSCO SHIPPING Property on 12 December 2022, pursuant to which COSCO SHIPPING Lines (Shanghai) conditionally agrees to purchase and COSCO SHIPPING Property conditionally agrees to sell 100% of the equity interests of HZL at a total consideration of approximately RMB1.191 billion (equivalent to approximately HK\$1.33 billion)
“HZL Office”	Office building at No. 678, Dongdaming Road, Shanghai, the PRC*(中國上海市東大名路 678 號辦公樓), which is wholly-owned by HZL
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shipping Building Office”	19th-22nd floors, Guangzhou International Shipping Building (excluding parking spaces), Area A, Pazhou Internet Innovation Cluster, Haizhu District, Guangzhou, the PRC* (中國廣州市海珠區琶洲互聯網電商產業集聚區A區廣州國際航運大廈 19-22 層)
“Letter of Intent to the Sale and Purchase of Shipping Building Office”	the letter of intent entered into between COSCO SHIPPING Lines (Huanan) and Hailong Real Estate on 12 December 2022, pursuant to which COSCO SHIPPING Lines (Huanan) agrees to purchase and Hailong Real Estate agrees to sell the Shipping Building Office at the expected total consideration of approximately RMB520 million (equivalent to approximately HK\$582.40 million), the final consideration of which is subject to the measured area as set forth in the property ownership certificate. The commercial arrangements, terms and price of the transaction shall be subject to the final binding agreement to be entered by COSCO SHIPPING Lines (Huanan) and Hailong Real Estate.
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“%”	per cent

The exchange rate used for reference purpose in this announcement is RMB1.00 to HK\$1.12.

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

Shanghai, the People's Republic of China
12 December 2022

As at the date of this announcement, the Directors are Mr. WAN Min¹ (Chairman), Mr. HUANG Xiaowen¹ (Vice Chairman), Mr. YANG Zhijian¹, Mr. ZHANG Wei¹, 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*