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COSCO SHIPPING Ports Limited **中遠海運港口有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTION

Reference is made to the Earlier Announcements and Circular in relation to the Company's entry into the Concession Agreement. On 10 August 2016, a party to the Concession Agreement, PPA, became a subsidiary of COSCO (Hong Kong), which is a subsidiary of COSCO SHIPPING, the ultimate holding company of the Company. PPA has therefore become a connected person of the Company. Continuing transactions under the Concession Agreement have therefore become continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements under Chapter 14A of the Listing Rules in respect of the Concession Agreement. In the event that the Concession Agreement is varied or renewed, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the Earlier Announcements and Circular of the Company in relation to the Company's entry into the Concession Agreement. On 10 August 2016, a party to the Concession Agreement, PPA, became a subsidiary of COSCO (Hong Kong), which is a subsidiary of COSCO SHIPPING, the ultimate holding company of the Company. PPA has therefore become a connected person of the Company. Continuing transactions under the Concession Agreement have therefore become continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

CONCESSION AGREEMENT

Under the Concession Agreement, in consideration of the payments contemplated thereunder (which include, among others, two fixed annual fees, and a variable annual concession fee based on the aggregate revenue of PCT for Pier 2 and Pier 3, including, following construction of the western part of Pier 3, the turnover generated by the western part of Pier 3), (a) PPA has granted a concession to PCT, (i) for the development, operation and utilisation of Pier 2 and (ii) for the construction, operation and utilisation of the eastern part of Pier 3 and the western part of Pier 3; and (b) PCT has agreed to construct and put into operation, on behalf of PPA, a new oil pier on the southern part of pier 3 of the Piraeus Port (at PPA's costs).

The concession is for an initial term of 30 years (which commenced on 1 October 2009), with a mandatory extension for a term of 5 years subject to PCT's fulfillment of its obligations to construct the eastern part of Pier 3 in accordance with the timetable agreed in the Concession Agreement.

Please refer to the Earlier Announcements and Circular for further details of the Concession Agreement.

CONNECTED RELATIONSHIP

COSCO SHIPPING is the ultimate holding company of the Company. COSCO (Hong Kong) is a subsidiary of COSCO SHIPPING. On 10 August 2016, PPA became a subsidiary of COSCO (Hong Kong) and therefore a connected person of the Company.

LISTING RULES IMPLICATIONS

Continuing transactions under the Concession Agreement have become continuing connected transactions for the Company because PPA has become a connected person of the Company.

Pursuant to Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements under Chapter 14A of the Listing Rules in respect of the Concession Agreement. In the event that the Concession Agreement is varied or renewed, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE CONCESSION AGREEMENT

The reasons for and benefits of the Concession Agreement have been disclosed in the Earlier Announcements and Circular. In view of the commercial and strategic importance as well as the growth potential of the container terminals at Piraeus Port, the Board considers that the Concession Agreement continues to represent a good opportunity for the Company to invest in a major container terminal outside China and is in line with the Company's strategy to become a leading global port operator.

DIRECTOR'S VOTING

Mr. IP Sing Chi, an independent non-executive Director, is interested in the continuing connected transactions under the Concession Agreement as an independent non-executive director of PPA and has abstained from voting on the relevant Board resolutions of the Company. None of the Directors (other than Mr. IP Sing Chi) has a material interest in the continuing connected transactions under the Concession Agreement, but (i) Mr. HUANG Xiaowen, a non-executive Director and Chairman of the Board and Dr. FAN HSU Lai Tai, Rita, an independent non-executive Director, have voluntarily abstained from voting on the relevant Board resolutions of the Company for the reason that they are respectively, an executive director and vice chairman, and an independent non-executive director of China COSCO, a subsidiary of COSCO SHIPPING; and (ii) Mr. WANG Haimin, a non-executive Director has also voluntarily abstained from voting on the relevant Board resolutions of the Company for the reason that he is a director of COSCO SHIPPING.

The Directors (including independent non-executive Directors) other than those who abstained from voting on the relevant Board resolutions of the Company are of the view that the Concession Agreement and the transaction contemplated thereunder are in the ordinary and usual course of business of the Group, on normal commercial terms, and that terms thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION

The Group

The Group is principally engaged in the businesses of managing and operating terminals, and related businesses.

PCT

PCT is a wholly owned subsidiary of the Company in Greece. PCT is principally engaged in the businesses of operating Pier 2 and Pier 3, including general cargo and container terminals and related operations.

PPA

The major activities of PPA are the operation of Piraeus Port, including passenger cruise ship, passenger and car ferry terminals, car terminals, general cargo and container terminals, an oil pier, ship yard terminals services and related operations. It is also responsible for the maintenance of port facilities, the supply of port services (supply of water, electric current and telephone connections, etc.). PPA is listed on the Athens Stock Exchange.

Piraeus Port

Piraeus Port is the hub for the connection of continental Greece with the islands, an international cruise center and a commercial hub of the Mediterranean. It is located in the commercially and strategically important shipping lane servicing, among other areas, Europe, North Africa and the Mediterranean.

DEFINITIONS

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

“Board”	the board of directors of the Company
“China COSCO”	China COSCO Holdings Company Limited*(中國遠洋控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1919) and the A shares of which are listed on the Shanghai Stock Exchange in the PRC (Stock Code: 601919), and an intermediate holding company of the Company
“Company”	COSCO SHIPPING Ports Limited (formerly known as COSCO Pacific Limited), a limited liability company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1199)
“Concession Agreement”	the concession agreement dated 25 November 2008 entered into among PPA, PCT and the Company, as amended by the amendment agreement dated 20 December 2014 entered into between PCT and PPA

“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“COSCO (Hong Kong)”	COSCO (Hong Kong) Group Limited, a company incorporated in Hong Kong and a subsidiary of COSCO SHIPPING
“COSCO SHIPPING”	China COSCO Shipping Corporation Limited* (中國遠洋海運集團有限公司), a Chinese state-owned enterprise and the ultimate holding company of the Company
“Director(s)”	the director(s) of the Company
“Earlier Announcements and Circular”	the announcements of the Company dated 29 October 2008, 25 November 2008, 12 November 2013, 28 November 2014 and 22 December 2014 and the circular of the Company dated 19 November 2008
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PCT”	Piraeus Container Terminal S.A., a company established in Greece and a wholly owned subsidiary of the Company, the concessionaire of the concession under the Concession Agreement
“Pier 2”	pier 2 of the Piraeus Port
“Pier 3”	the eastern part of pier 3 of the Piraeus Port and western part of pier 3 of the Piraeus Port
“PPA”	Piraeus Port Authority S.A., a company established in Greece, the grantor of the concession under the Concession Agreement
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules

For the purposes of this announcement, the English or Chinese name with an asterisk () is an unofficial English or Chinese (as the case may be) transliteration or translation and is for identification purposes only.*

By Order of the Board
COSCO SHIPPING Ports Limited
ZHANG Wei
Vice Chairman & Managing Director

Hong Kong, 17 August 2016

As at the date of this announcement, the Board comprises Mr. HUANG Xiaowen² (Chairman), Mr. ZHANG Wei¹ (Vice Chairman & Managing Director), Mr. FANG Meng¹, Mr. DENG Huangjun¹, Mr. FENG Bo¹, Mr. WANG Wei², Mr. WANG Haimin², Dr. WONG Tin Yau, Kelvin¹, Dr. FAN HSU Lai Tai, Rita³, Mr. Adrian David LI Man Kiu³, Mr. IP Sing Chi³, Mr. FAN Ergang³ and Mr. LAM Yiu Kin³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director