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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 TRANSACTIONS**

The Group has been carrying on transactions pursuant to the Existing Master Agreements which will expire on 31 December 2018. It is expected that the Group will continue to enter into transactions of a similar nature to the transactions under the Existing Master Agreements from time to time and the Company has accordingly entered into the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement with COSCO SHIPPING on 22 November 2018 for a term of 3 years from 1 January 2019 to 31 December 2021.

As COSCO SHIPPING is the ultimate controlling Shareholder, members of the COSCO SHIPPING Group are connected persons of the Company and the transactions under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement constitute continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. A circular containing further information on the transactions under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, including a letter from the Independent Board Committee to the Independent Shareholders, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and a notice of the SGM, will be despatched to the Shareholders on or before 13 December 2018.

Further details of the basis for determination of the estimated annual caps for the master agreements described in the Company's announcement dated 30 October 2018 are also set out below.

#### **BACKGROUND**

The Group has been carrying on transactions pursuant to the Existing Master Agreements which will expire on 31 December 2018. It is expected that the Group will continue to enter into transactions of a similar nature to the transactions under the Existing Master Agreements from time to time, and the Company has accordingly entered into the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement with COSCO SHIPPING as disclosed below.

## CONTINUING CONNECTED TRANSACTIONS

### *COSCO SHIPPING Shipping Services and Terminal Services Master Agreement*

- Date:** 22 November 2018
- Parties:** The Company  
COSCO SHIPPING
- Term:** 1 January 2019 to 31 December 2021
- Condition precedent:** Conditional upon the approval of the Independent Shareholders being obtained on or before 31 December 2018.
- Nature of transaction:**
- (a) Provision of shipping related services by the relevant members of the Group to members of the COSCO SHIPPING Group, being the terminal services which are related to the shipping business carried out by COSCO SHIPPING, including but not limited to handling, storage, stevedoring, transshipment, maintenance of cargoes and provision of container storage space and terminal facilities, and other ancillary services.
  - (b) Provision of terminal related services by the relevant members of the COSCO SHIPPING Group to members of the Group, being the shipping services which are related to the terminal business carried out by the Company, including but not limited to the provision of manpower services, cargo handling services, logistics services, purchase of materials, supply of fuel and oil products (including but not limited to diesel oil, fuel oil, lubricating oil, hydraulic oil and transmission oil) and subsidy on port construction fee, and other ancillary services.
- Pricing:** The terms upon which the services to be provided by members of the COSCO SHIPPING Group to members of the Group shall be no less favourable than the terms obtained by the relevant members of the Group from independent third parties for similar types of services; and the terms upon which the services to be provided by members of the Group to members of the COSCO SHIPPING Group shall be no less favourable than the terms offered by members of the Group to independent third parties for similar types of services.
- In particular, the fees charged shall be determined with reference to the prevailing market price, being the price offered to or charged by independent third parties in respect of similar types of services in the ordinary course of business in the same or nearby service area and subject to normal commercial terms, and in accordance with the principle of fairness and reasonableness.

#### **Historical transaction amounts:**

The transactions under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement will be of a similar nature to those under the 2015 COSCO Shipping Services and Terminal Services Master Agreement, 2015 China COSCO Shipping Services and

Terminal Services Master Agreement, 2015 Nansha Diesel Oil Purchase Master Agreement, 2015 Xiamen Diesel Oil Purchase Master Agreement and 2018 China Shipping Sinopec Oil Products Master Agreement. The historical amounts for such transactions were as follows:

	For the year ended 31 December 2016	For the year ended 31 December 2017	For the nine months ended 30 September 2018
(a) Aggregate amount received by the Group from the COSCO SHIPPING Group	RMB533,129,000 (approximately HK\$639,083,000)	RMB697,642,000 (approximately HK\$836,291,000)	RMB925,467,000 (approximately HK\$1,109,394,000)
(b) Aggregate amount paid by the Group to the COSCO SHIPPING Group	RMB20,814,000 (approximately HK\$24,951,000)	RMB27,022,000 (approximately HK\$32,393,000)	RMB36,395,000 (approximately HK\$43,629,000)

### Proposed annual caps and basis of determination:

The proposed annual caps for the transactions under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement and the basis of determination thereof are as follows:

	2019	For the year ending 31 December 2020	2021
(a) Aggregate amount receivable by the Group from the COSCO SHIPPING Group	RMB2,337,172,000 (approximately HK\$2,801,660,000)	RMB3,369,639,000 (approximately HK\$4,039,318,000)	RMB4,127,542,000 (approximately HK\$4,947,846,000)
(b) Aggregate amount payable by the Group to the COSCO SHIPPING Group	RMB163,097,000 (approximately HK\$195,511,000)	RMB238,172,000 (approximately HK\$285,507,000 )	RMB358,201,000 (approximately HK\$429,390,000)

The estimated annual caps for the aggregate amount receivable by the Group from the COSCO SHIPPING Group were determined with reference to the existing scale and operations of the businesses of the Group, the anticipated growth and development of such businesses and the anticipated demand for such services, including (i) the expanded scale and operations of the business of the Group taking into account the various acquisitions of new terminals completed in the past years; (ii) the new berths and newly developed terminals of the Group expected to come into operation over the next three years; (iii) the completion of potential acquisition of terminals by the Group over the next three years; (iv) the growth in fleet size and shipping capacity of the COSCO SHIPPING Group and also taking into account the acquisition of OOIL by CSH completed in 2018; and (v) the expected increase in the COSCO SHIPPING Group's fleet calling at the terminals of the Group as a result of the synergies continuing to be achieved with the COSCO SHIPPING Group and the OCEAN Alliance.

The estimated annual caps for the aggregate amount payable by the Group to the COSCO SHIPPING Group were determined with reference to the existing demand for such services and the anticipated increase in the demand for such services, taking into account the above mentioned factors including the anticipated growth and development of the scale and operations of the businesses of the Group.

### Connected relationship:

COSCO SHIPPING is the ultimate controlling Shareholder. Accordingly, members of the COSCO SHIPPING Group are connected persons of the Company.

### Listing Rules implications:

Since one or more of the applicable percentage ratios in respect of the proposed annual caps for the transactions under the COSCO SHIPPING Shipping Services and Terminal Services Master

Agreement exceed 5%, the transactions constitute continuing connected transactions of the Company and are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE COSCO SHIPPING CONTINUING CONNECTED TRANSACTIONS**

The COSCO SHIPPING Continuing Connected Transactions are part of or related to the principal business activities of the Group and are expected to either increase the revenue of the Group, and/or provide the Group with overall business and operational convenience and synergy.

None of the Directors has any material interest in the COSCO SHIPPING Continuing Connected Transactions. Nonetheless, Mr. HUANG Xiaowen, the executive vice president and party committee member, and Mr. WANG Haimin, an employee director, of COSCO SHIPPING voluntarily abstained from the Board's discussions and voting on the relevant board resolution of the Company approving the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement with COSCO SHIPPING and the transactions thereunder and had not expressed their views thereon.

The Directors (excluding members of the Independent Board Committee, who will express their views after considering the advice to be given by the Independent Financial Adviser), save as expressly disclosed above, were of the view that the transactions are on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INTERNAL CONTROL PROCEDURES**

In addition to the annual review by the auditors and independent non-executive Directors pursuant to the requirements of Chapter 14A of the Listing Rules, as part of the Group's internal control systems to ensure that the transactions between the Group and its connected persons are conducted in accordance with the terms of the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, the Company will implement the following internal control arrangements:

- (i) Before entering into any agreements pursuant to the respective continuing connected transaction master agreements (including the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement), the Group will observe the General Pricing Principles, and where available, the relevant personnel of the Group would compare at least two other transactions or quotations for similar transactions with independent third parties for similar products and/or services in similar quantities and ensure that the terms offered to or by the relevant connected persons are no less favourable to the Group than those available to or from independent third parties.
- (ii) The relevant departments in the head office of the Company and each subsidiary of the Company has a designated person to record the entering into of continuing connected transactions.
- (iii) The Finance Department of the Company will prepare a "Summary for Continuing Connected Transactions" each quarter and organize meetings regularly to review and assess whether the relevant continuing connected transactions are conducted in accordance with the terms of their respective continuing connected transaction master agreements. After the "Summary for Continuing Connected Transactions" is reviewed

by the relevant departments of the Company and the management, it will be submitted to the Audit Committee of the Company and the Board for further review.

- (iv) The Audit and Supervision Department of the Company will monitor the risks related to continuing connected transactions by reviewing the minutes of important meetings as well as accounting records to identify if the Group has any undisclosed connected transactions.
- (v) The Audit and Supervision Department will also check the terms and implementation status of the Group's policies and requirements related to continuing connected transactions from time to time, including investigating the audited entities' processes for identification of connected persons and their procedures for dealing with continuing connected transactions. It is also responsible for monitoring the prices of the transactions with connected persons by reviewing samples of the relevant sales contracts and costs etc. to ensure such prices are in compliance with the pricing policies under the terms of their respective continuing connected transaction master agreements.

The Board is of the view that the above methods and procedures can ensure that the pricing and other contract terms for the COSCO SHIPPING Continuing Connected Transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and will be conducted on terms no less favourable to the Group than the terms available from independent third parties for the relevant transactions.

## **SPECIAL GENERAL MEETING**

The Independent Board Committee, comprising Dr. FAN HSU Lai Tai, Rita, Mr. Adrian David LI Man Kiu, Mr. FAN Ergang, Mr. LAM Yiu Kin and Prof. CHAN Ka Lok, has been formed to advise the Independent Shareholders as to whether the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement is entered into in the ordinary and usual course of business of the Group and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole and whether the terms thereof are fair and reasonable and to advise the Independent Shareholders on how to vote, taking into account the recommendation of the Independent Financial Adviser, in respect of such matters at the SGM.

A circular containing, amongst other things, further details on the transactions under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, a letter from the Independent Board Committee to the Independent Shareholders and a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with the notice for the SGM will be despatched to the Shareholders on or before 13 December 2018.

## **GENERAL INFORMATION**

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

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

## **ADDITIONAL INFORMATION ON THE NEW MASTER AGREEMENTS**

Reference is made to the announcement of the Company dated 30 October 2018 (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this section shall have the same meanings as those defined in the Announcement.

In addition to the information set out in the Announcement, the Company wishes to provide the Shareholders and the public with further details of the basis for determination of the estimated annual caps for each of the New Master Agreements for the three years from 2019 to 2021.

### **1. Maersk Line Shipping Services Master Agreement**

The estimated annual caps for the aggregate amount receivable by the Group from the Maersk Line under the Maersk Line Shipping Services Master Agreement were determined with reference to the existing scale and operations of the businesses of the Group, the anticipated growth and development of such businesses and the anticipated demand for such services, including (i) the expected increase in calling by the Maersk Line of the two Noatum container terminals in Spain, in which the Group acquired a majority interest at the end of 2017; (ii) the expected expansion of the shipping routes of the Maersk Line which may increase the calls at the terminals of the Group; (iii) new berths and terminals of the Group coming into operation over the next few years; and (iv) the completion of potential acquisition of terminals by the Group over the next few years.

### **2. Xiamen Container Terminal Services Master Agreement**

- (a) The estimated annual caps for the aggregate amount payable by Xiamen Ocean Gate to the Xiamen Haicang Group under the Xiamen Container Terminal Services Master Agreement were determined with reference to the historical transaction amounts, the market prices for similar services and the expected increase in usage of the services provided by the Xiamen Haicang Group (including inspection services) as a result of (i) expected increase in business volume of existing berths of Xiamen Ocean Gate’s terminal and (ii) the expected coming into operation of a new automatic berth of Xiamen Ocean Gate’s terminal in 2019.
- (b) The estimated annual caps for the aggregate amount receivable by Xiamen Ocean Gate from the Xiamen Haicang Group under the Xiamen Container Terminal Services Master Agreement were determined with reference to the historical transaction amounts, the market prices for similar services and the expected increase in the Xiamen Haicang Group’s usage of the services provided by Xiamen Ocean Gate (including loading and unloading services and management services) as a result of (i) expected increase in business volume of existing berths and (ii) the expected coming into operation of a new automatic berth of Xiamen Ocean Gate’s terminal in 2019.

### **3. GZ Port Company Container Terminal Services Master Agreement**

- (a) The estimated annual caps for the aggregate amount receivable by GZ South China from the GZ Port Company Group under the GZ Port Company Container Terminal Services Master Agreement were determined with reference to the scope of transactions covered by the GZ Port Company Container Terminal Services Master Agreement and the expected increase in the business volume of GZ South China, including (i) new fees expected to be received from the GZ Port Company Group as a result of the expected provision of inspection services by GZ South China in 2019;

(ii) increase in rental income expected to be received from the GZ Port Company Group as a result of the expected coming into operation of a new storage house of GZ South China in 2018; and (iii) new rental income expected to be received from the GZ Port Company Group as a result of the expected coming into operation of additional storage houses over the next few years.

- (b) The estimated annual caps for the aggregate amount payable by GZ South China to the GZ Port Company Group under the GZ Port Company Container Terminal Services Master Agreement were determined with reference to the historical transaction amounts and the expected increase in the business volume of GZ South China, including the expected increase in GZ South China's usage of the construction and related services provided by the GZ Port Company Group in relation to the newly constructed storage houses, terminal equipment enhancement and other capital expenditures.

#### **4. Yangzhou Terminal Services Master Agreement**

- (a) The estimated annual caps for the aggregate amount payable by Yangzhou Yuanyang to the Yangzhou Port Group under the Yangzhou Terminal Services Master Agreement were determined with reference to the expected volumes of businesses of Yangzhou Yuanyang, the expected trend of the structural change in the types of cargoes to be handled by Yangzhou Yuanyang, the expected rates of loading and unloading service fees and the scope of transactions covered by the Yangzhou Terminal Services Master Agreement.
- (b) The estimated annual caps for the aggregate amount receivable by Yangzhou Yuanyang from the Yangzhou Port Group under the Yangzhou Terminal Services Master Agreement were determined based on the historical transaction amounts and the rental income expected to be received from the renting of berths by the Yangzhou Port Group from Yangzhou Yuanyang commencing from 2019.

#### **5. Zhangjiagang Container Terminal Services Master Agreement**

The estimated annual caps for the aggregate amount payable by Zhangjiagang Win Hanverky to the Zhangjiagang Port Group under the Zhangjiagang Container Terminal Services Master Agreement were determined based on the expected increase in the future business volume including (i) the expected increase in rental expenses and (ii) the expected increase in market demand for reefer container service of Zhangjiagang Win Hanverky (resulting in increase in the consumption of electricity supplied by the Zhangjiagang Port Group) and the expected increment on unit price of electricity, rental and fuel which increase the amount payable to the Zhangjiagang Port Group.

#### **6. Lianyungang Terminal Services Master Agreement**

- (a) The estimated annual caps for the aggregate amount payable by Lianyungang New Oriental to the Lianyungang Port Group under the Lianyungang Terminal Services Master Agreement were determined based on the expected increase in procurement of materials, electricity and labour services from the Lianyungang Port Group from 2018 onwards as a result of the expected increase in the business volume of Lianyungang New Oriental.

- (b) The estimated annual caps for the aggregate amount receivable by Lianyungang New Oriental from the Lianyungang Port Group under the Lianyungang Terminal Services Master Agreement were determined based on the historical transaction amounts.

Based on the above and the relevant information set out in the Announcement, the Directors were of the view that the bases on which the estimated annual caps of the New Master Agreements were determined are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## DEFINITIONS

“2015 China COSCO Shipping Services and Terminal Services Master Agreement”	the agreement dated 28 October 2015 between COSCO Ports, PCT, CSH and COSCO SHIPPING Lines in relation to the provision of shipping and terminal related services (as amended by an amendment agreement entered into between the Company and those parties on 30 March 2016, pursuant to which the Company became a party in substitution of COSCO Ports and PCT), details of which are set out in the Company’s announcements dated 28 October 2015 and 30 March 2016
“2015 COSCO Shipping Services and Terminal Services Master Agreement”	the agreement dated 28 October 2015 between COSCO Ports, PCT and China Ocean Shipping in relation to the provision of shipping and terminal related services (as amended by an amendment agreement entered into between the Company and those parties on 30 March 2016, pursuant to which the Company became a party in substitution of COSCO Ports and PCT), details of which are set out in the Company’s announcements dated 28 October 2015 and 30 March 2016
“2015 Nansha Diesel Oil Purchase Master Agreement”	the agreement dated 28 October 2015 between COSCO Ports, GZ South China and CM Supply in relation to the purchase of diesel oil, details of which are set out in the Company’s announcement dated 28 October 2015
“2015 Xiamen Diesel Oil Purchase Master Agreement”	the agreement dated 28 October 2015 between COSCO Ports, Xiamen Ocean Gate and Chimbusco Fujian in relation to the purchase of diesel oil, details of which are set out in the Company’s announcement dated 28 October 2015
“2018 China Shipping Sinopec Oil Products Master Agreement”	the agreement dated 8 May 2018 between the Company and China Shipping Sinopec in relation to the supply of oil products including but not limited to fuel oil, lubricating oil, hydraulic oil and transmission oil, details of which are set out in the Company’s announcement dated 8 May 2018
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Chimbusco Fujian”	China Marine Bunker Supply Fujian Co., Ltd.* 中國船舶燃料供應福建有限公司, a company established in the PRC



	and is 50% owned by a non wholly-owned subsidiary of China Ocean Shipping
“China Ocean Shipping”	China Ocean Shipping Company Limited* 中國遠洋運輸有限公司, which is previously known as China Ocean Shipping (Group) Company* 中國遠洋運輸(集團)總公司 and a wholly-owned subsidiary of COSCO SHIPPING
“China Shipping Sinopec”	China Shipping & Sinopec Suppliers Co., Ltd.* 中石化中海船舶燃料供應有限公司, a company established in the PRC and a subsidiary of COSCO SHIPPING
“CM Supply”	China Marine Bunker Guangzhou Co., Ltd* 中國船舶燃料廣州有限公司, a company established in the PRC and owned as to 50% by China Ocean Shipping
“Company”	COSCO SHIPPING Ports Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1199)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“COSCO Ports”	COSCO Ports (Holdings) Limited (中遠碼頭控股有限公司), a company established in the British Virgin Islands and was a wholly-owned subsidiary of the Company
“COSCO SHIPPING Continuing Connected Transactions”	transactions to be conducted under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement
“COSCO SHIPPING”	China COSCO Shipping Corporation Limited* 中國遠洋海運集團有限公司, the ultimate controlling Shareholder and a state-owned enterprise in the PRC
“COSCO SHIPPING Group”	COSCO SHIPPING, its subsidiaries and its associates, but which for purpose of this announcement, exclude the Group
“COSCO SHIPPING Lines”	COSCO SHIPPING Lines Co., Ltd.* 中遠海運集裝箱運輸有限公司, a company established in the PRC and a wholly-owned subsidiary of CSH
“COSCO SHIPPING Shipping Services and Terminal Services Master Agreement”	the agreement dated 22 November 2018 between the Company and COSCO SHIPPING in relation to the provision of shipping and terminal related services
“CSH”	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 in the PRC (Stock Code: 601919), and an intermediate controlling Shareholder

“Director(s)”	the director(s) of the Company
“Existing Master Agreements”	2015 China COSCO Shipping Services and Terminal Services Master Agreement, 2015 COSCO Shipping Services and Terminal Services Master Agreement, 2015 Nansha Diesel Oil Purchase Master Agreement, 2015 Xiamen Diesel Oil Purchase Master Agreement and 2018 China Shipping Sinopec Oil Products Master Agreement, being the master agreements entered into by members of the Group in relation to transactions of a similar nature to those under the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, details of which are set out in the Company’s announcements dated 28 October 2015, 30 March 2016 and 8 May 2018 and circular dated 9 November 2015
“General Pricing Principles”	the principles for pricing determination generally adopted by the Group: (i) State-prescribed prices; (ii) where there is no State-prescribed price, according to the relevant market prices (being the prices at which comparable types of products and/or services are provided by independent third parties in the same area in the ordinary course of business); and (iii) where there is no relevant market price, according to the costs of the products plus an appropriate margin which would be determined with reference to, among others, the inflation rate and valuation conducted by independent valuer (where appropriate)
“Group”	the Company and its subsidiaries
“GZ South China”	Guangzhou South China Oceangate Container Terminal Company Limited 廣州南沙海港集裝箱碼頭有限公司, a company established in the PRC and a non wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising Dr. FAN HSU Lai Tai, Rita, Mr. Adrian David LI Man Kiu, Mr. FAN Ergang, Mr. LAM Yiu Kin and Prof. CHAN Ka Lok, being independent non-executive Directors
“Independent Financial Adviser”	Challenge Capital Management Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the COSCO SHIPPING

Continuing Connected Transactions requiring Independent Shareholders' approval

“Independent Shareholders”	Shareholders who are not prohibited from voting under the Listing Rules to approve the relevant transaction(s) at a general meeting of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“OOIL”	Orient Overseas (International) Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 316)
“PCT”	Piraeus Container Terminal S.A., a company established in Greece and a wholly-owned subsidiary of the Company
“percentage ratios”	percentage ratios calculated by the Company pursuant to Rule 14.07 of the Listing Rules
“PRC”	the People's Republic of China, which for the purpose of this announcement and unless the context suggests otherwise, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held for considering and approving, if appropriate, the COSCO SHIPPING Shipping Services and Terminal Services Master Agreement, and the transactions thereunder
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“Xiamen Ocean Gate”	Xiamen Ocean Gate Container Terminal Co., Ltd. 廈門遠海集裝箱碼頭有限公司, a company established in the PRC and a non wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	percentage

*For the purposes of this announcement, the exchange rate of RMB1 = HK\$1.198739 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.*

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

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

Hong Kong, 22 November 2018

As at the date of this announcement, the Board comprises Mr. HUANG Xiaowen<sup>2</sup> (Chairman), Mr. ZHANG Wei (張為)<sup>1</sup> (Vice Chairman & Managing Director), Mr. FANG Meng<sup>1</sup>, Mr. DENG Huangjun<sup>1</sup>, Mr. FENG Boming<sup>2</sup>, Mr. ZHANG Wei (張煒)<sup>2</sup>, Mr. CHEN Dong<sup>2</sup>, Mr. WANG Haimin<sup>2</sup>, Dr. WONG Tin Yau, Kelvin<sup>1</sup>, Dr. FAN HSU Lai Tai, Rita<sup>3</sup>, Mr. Adrian David LI Man Kiu<sup>3</sup>, Mr. FAN Ergang<sup>3</sup>, Mr. LAM Yiu Kin<sup>3</sup> and Prof. CHAN Ka Lok<sup>3</sup>.

<sup>1</sup> Executive Director

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

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