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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)

**MAJOR TRANSACTIONS AND
CONTINUING CONNECTED TRANSACTIONS**

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



BACKGROUND

References are made to the announcements of the Company dated 30 October 2019, 26 November 2019 and 30 August 2021 respectively, and the circulars of the Company dated 5 December 2019 and 24 September 2021 respectively, in relation to, among other things, the continuing connected transactions between the Group and the COSCO SHIPPING Group under the Existing Agreements for the three years ending 31 December 2022 and the revision of relevant annual caps of the transactions under the Financial Services Agreement for the two years ending 31 December 2022.

REVISION OF ANNUAL CAPS OF THE DEPOSIT SERVICES UNDER THE EXISTING FINANCIAL SERVICES AGREEMENT

On 30 August 2022, the Company proposed to revise relevant annual caps of the continuing connected transactions contemplated under the Existing Financial Services Agreement. Save for the proposed revision of relevant annual caps thereof, all other terms and conditions of the Existing Financial Services Agreement remain unchanged.

THE ENTERING INTO OF THE COSCO SHIPPING MASTER AGREEMENTS, THE FINANCIAL SERVICES AGREEMENT, THE PIL MASTER SHIPPING AND TERMINAL SERVICES AGREEMENT, AND THE SIPG SHIPPING AND TERMINAL SERVICES AGREEMENT

The Existing Agreements will expire on 31 December 2022. In light of the Company's intention to continue entering into transactions of a similar nature from time to time after such expiry date, on 30 August 2022:

- (i) the Company and COSCO SHIPPING entered into the COSCO SHIPPING Master Agreements in respect of certain transactions, the nature of which is similar to the transactions under the Existing COSCO SHIPPING Master Agreements, for a term of three years from 1 January 2023 to 31 December 2025, which can be extended for further three years as agreed in writing by the parties upon the expiration of the term on the basis that the relevant requirements of the applicable listing rules are satisfied;
- (ii) the Company and COSCO SHIPPING Finance entered into the Financial Services Agreement in relation to the provision of certain financial services by COSCO SHIPPING Finance to the Company and its subsidiaries and associates, for a term of three years from 1 January 2023 to 31 December 2025, which can be extended for further three years as agreed in writing by the parties upon the expiration of the term on the basis that the relevant requirements of the applicable listing rules are satisfied;
- (iii) the Company and Pacific International Lines entered into the PIL Master Shipping and Terminal Services Agreement in relation to the mutual provision of shipping services and terminal services between the Group and Pacific International Lines Group for a term of three years from 1 January 2023 to 31 December 2025; and
- (iv) the Company and SIPG entered into the SIPG Shipping and Terminal Services Agreement in relation to the mutual provision of shipping services and terminal services between the Group and SIPG Group for a term of three years from 1 January 2023 to 31 December 2025, which can be extended for further three years upon mutual agreement of the parties on the basis that the relevant requirements of the applicable listing rules are satisfied.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

COSCO SHIPPING is the indirect controlling Shareholder and therefore members of the COSCO SHIPPING Group (including COSCO SHIPPING Finance) are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the COSCO SHIPPING Master Agreements and the Financial Services Agreement, and the Revision of Annual Caps of the Deposit Services under the Existing Financial Services Agreement, constitute continuing connected transactions of the Company.

Mr. Teo Siong Seng (an independent non-executive Director), together with his family members (as defined in Rule 14A.12(2)(a) of the Hong Kong Listing Rules), is able to control the composition of the majority of the board of directors of Pacific International Lines. Accordingly, Pacific International Lines is a connected person of the Company and the transactions under the PIL Master Shipping and Terminal Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As at the date of this announcement, SIPG holds 20% of the equity interests in Shanghai Pan Asia, a non-wholly subsidiary of the Company. Therefore, SIPG is a substantial shareholder of Shanghai Pan Asia and a connected person of the Company at the subsidiary level. Accordingly, the entering into of the SIPG Shipping and Terminal Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

The Board has approved the transactions contemplated under the SIPG Shipping and Terminal Services Agreement, and the independent non-executive Directors have confirmed that the terms of the transactions under the SIPG Shipping and Terminal Services Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Therefore, the transactions under the SIPG Shipping and Terminal Services Agreement and the proposed annual caps for such transactions are subject to the reporting, annual review and announcement requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios of the Revision of Annual Caps of the Deposit Services and the proposed annual caps in respect of the transactions contemplated under the Master Shipping Services Agreement and the deposit transactions contemplated under the Financial Services Agreement exceed 25%, such transactions constitute continuing connected transactions and major transactions of the Company, and therefore the Revision of Annual Caps of the Deposit Services, the Master Shipping Services Agreement, the Financial Services Agreement, and the transactions and the respective proposed annual caps contemplated thereunder are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios of the proposed annual caps in respect of the transactions contemplated under the Master Vessel and Container Asset Services Agreement exceed 5%, such transactions and the respective proposed annual caps for such transactions for each of the three years ending 31 December 2025 are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios of the proposed annual caps in respect of the transactions contemplated under each of the Master Port Services Agreement, the Master General Services Agreement and the PIL Master Shipping and Terminal Services Agreement exceed 0.1% but are all less than 5%, such transactions and the respective proposed annual caps for such transactions for each of the three years ending 31 December 2025 are subject to the reporting, annual review and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As all of the applicable percentage ratios of the proposed annual caps in respect of the transactions contemplated under the Trademark Licence Agreement are below 0.1%, such transactions are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. The Trademark Licence Agreement is disclosed in this announcement in light of the requirements of the Shanghai Listing Rules as set out below.

Pursuant to the Shanghai Listing Rules, the proposed annual caps in respect of the continuing connected transactions under the COSCO SHIPPING Master Agreements and the Financial Services Agreement shall be aggregated, and the proposed annual caps in respect of the continuing connected transactions under the Master Shipping Services Agreement, the Master Port Services Agreement, the PIL Master Shipping and Terminal Services Agreement and the SIPG Shipping and Terminal Services Agreement shall be aggregated. The aggregated amount shall exceed 5% of the latest audited net asset value of the Company and its subsidiaries. Accordingly, despite that only the Non-exempt Master Agreements and the proposed annual caps thereunder are required to be approved by the Shareholders under the Hong Kong Listing Rules, ordinary resolutions will be proposed at the EGM for the Shareholders to consider and, if thought fit, approve all the continuing connected transactions under the COSCO SHIPPING Master Agreements, the Financial Services Agreement, the PIL Master Shipping and Terminal Services Agreement and SIPG Shipping and Terminal Services Agreement and the proposed annual caps contemplated thereunder.

I. MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF THE REVISION OF ANNUAL CAPS OF THE DEPOSIT SERVICES UNDER THE EXISTING FINANCIAL SERVICES AGREEMENT

On 30 August 2022, the Company proposed to revise relevant annual caps of the continuing connected transactions contemplated under the Existing Financial Services Agreement. Save for the proposed revision of relevant annual caps thereof, all other terms and conditions of the Existing Financial Services Agreement remain unchanged.

1. Details of the Existing Financial Services Agreement

The details of the principal terms of the Existing Financial Services Agreement (after the 2021 Revision of Annual Caps) are set out below:

Date: 30 October 2019

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

Nature of transaction: Pursuant to the Existing Financial Services Agreement, COSCO SHIPPING shall procure COSCO SHIPPING Finance to provide the Company and its subsidiaries and associates with certain financial services, including the following:

- (i) deposit services;
- (ii) loan services;
- (iii) clearing services;
- (iv) foreign exchange services; and
- (v) any other services that COSCO SHIPPING Finance can engage in as permitted by the CBIRC.

The transaction terms of the services under the Existing Financial Services Agreement shall be normal commercial terms and fair and reasonable, and shall not be less favorable to the Company and its subsidiaries than those offered by COSCO SHIPPING Finance to other members of the COSCO SHIPPING Group for the same type of services and shall not be less favorable than the terms offered by other financial institutions to the Company and its subsidiaries and associates for the same type of services.

Pricing policies: The interest rates for deposits shall be determined with reference to: (i) market interest rates, being interest rates determined by independent third party commercial banks providing the same type of deposit services in their 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; and (ii) the interest rate offered by COSCO SHIPPING Finance to other parties for the same type of deposits from other entities.

The interest rates for loans shall be determined with reference to: (i) market interest rates, being interest rates determined by independent third party onshore commercial banks providing the same type of loan services in their ordinary course of business in the same or nearby service area and subject to normal commercial terms, and shall be in accordance with the principle of fairness and reasonableness; and (ii) the interest rates charged by COSCO SHIPPING Finance to other parties on the same type of loans provided to other entities.

The clearing services provided by COSCO SHIPPING Finance to the Company and its subsidiaries and associates shall be free of charge for the time being.

The pricing policies for other services, including but not limited to foreign exchange services, shall be determined with reference to: (i) the handling fees charged by independent third party onshore commercial banks to the Company and its subsidiaries and associates for the same type of services; and (ii) the handling fees charged by COSCO SHIPPING Finance to other parties with the same credit rating for the same type of services.

To ensure that the pricing policies under the Existing Financial Services Agreement are complied with, prior to conducting transactions under the Existing Financial Services Agreement, the Company has enquired or will enquire with independent third party commercial banks and other financial institutions about the interest rates for loans and deposits and the fees for provision of similar financial services in the same or nearby area for the same type of services, to compare with the interest rates for loans and deposits and the fees for other financial services offered by COSCO SHIPPING Finance. The Group shall seek to obtain quotations from at least three independent third party commercial banks or other financial institutions in each case where practicable.

2. Historical Transaction Amounts

The table below sets forth the historical transaction amounts of the financial services provided by COSCO SHIPPING Finance to the Company and its subsidiaries for (i) the two years ended 31 December 2021 and (ii) the six months ended 30 June 2022 under the Existing Financial Services Agreement:

	For the year ended 31 December 2020 <i>(RMB'000)</i> <i>(audited)</i>	For the year ended 31 December 2021 <i>(RMB'000)</i> <i>(audited)</i>	For the six months ended 30 June 2022 <i>(RMB'000)</i> <i>(unaudited)</i>
Deposit Services			
Maximum daily outstanding balance of deposits (including accrued interest and handling fee) placed by the Company and its subsidiaries with COSCO SHIPPING Finance	17,188,294	74,682,116	74,079,542
Loan Services			
Maximum daily outstanding balance of loans (including accrued interest and handling fee) granted by COSCO SHIPPING Finance	3,256,800	1,544,800	1,677,607
Other Financial Services			
Other financial services (including clearing services, foreign exchange services and any other services that COSCO SHIPPING Finance can engage in as permitted by the CBIRC) provided by COSCO SHIPPING Finance to the Company and its subsidiaries	17,274	37,798	10,364

As far as the Directors are aware, the respective annual caps for the year ending 31 December 2022 under the Existing Financial Services Agreement had not been exceeded as at the date of this announcement.

3. The Revision of Annual Caps of the Deposit Services and Basis of Determination

The current annual caps (after the 2021 Revision of Annual Caps) for the continuing connected transactions contemplated under the Existing Financial Services Agreement for the year ending 31 December 2022 are set out as follows:

	For the year ending 31 December 2022 (RMB'000)
Deposit Services	
Maximum daily outstanding balance of deposits (including accrued interest and handling fee) to be placed by the Company and its subsidiaries with COSCO SHIPPING Finance (<i>Note</i>)	75,000,000
Loan Services	
Maximum daily outstanding balance of loans (including accrued interest and handling fee) to be granted by COSCO SHIPPING Finance to the Company and its subsidiaries	26,000,000
Other Financial Services	
Other financial services (including clearing services, foreign exchange services and any other services that COSCO SHIPPING Finance can engage in as permitted by the CBIRC) to be provided by COSCO SHIPPING Finance to the Company and its subsidiaries	40,000

Note:

The annual caps for the continuing connected transactions of the deposit services contemplated under the Existing Financial Services Agreement for each of the two years ending 31 December 2022 were increased from RMB29 billion to RMB75 billion as a result of the 2021 Revision of Annual Caps. For further details, please refer to the announcement of the Company dated 30 August 2021 and the circular of the Company dated 24 September 2021.

The following table sets forth the revised annual caps for the continuing connected transactions of the deposit services contemplated under the Existing Financial Services Agreement for the year ending 31 December 2022 (i.e. the Revision of Annual Caps of the Deposit Services), while the annual caps for the continuing connected transactions of the loan services and the other financial services contemplated thereunder remain unchanged.

	For the year ending 31 December 2022 (RMB'000)
Deposit Services	
Maximum daily outstanding balance of deposits (including accrued interest and handling fee) to be placed by the Company and its subsidiaries with COSCO SHIPPING Finance	150,000,000

The proposed revision of the annual caps for the deposit services contemplated under the Existing Financial Services Agreement was determined with reference to (i) the historical transaction amounts; (ii) the steady improvement in operating results and the significant increase in net operating cash flow of the Group due to the continuous growth of the container shipping market in recent years, and the expected increase in the transaction amount of deposits services under the Existing Financial Services Agreement; (iii) the anticipated fluctuations in the exchange rate of RMB against the US dollar; and (iv) the expansion of the business scale of the Group.

4. Reasons for and Benefits of the Revision of Annual Caps of the Deposit Services

The operations of COSCO SHIPPING Finance are subject to the guidelines and requirements issued by the PBOC and the supervision of the CBIRC. To the best of the Directors' knowledge and belief, COSCO SHIPPING Finance has been in compliance with all the major financial services rules and regulations and has sound internal control systems. As the intra-group financial services provider, COSCO SHIPPING Finance generally has better and more efficient communication with the Company and its subsidiaries compared with independent banks and financial institutions. COSCO SHIPPING Finance can provide financial services, including the foreign exchange deposits and lending services, based on the approval issued by the CBIRC. The Company and its subsidiaries may negotiate more favourable terms with COSCO SHIPPING Finance compared with other commercial banks.

Along with the increasing boost of the container shipping market, the Company has achieved stable growth in its business performance through the measures such as increasing shipping capacity, securing container supplies and enhancing service quality. Therefore, the amount of operating cash flow of the Company increased substantially, and in turn the demand for the deposit services under the Existing Financial Services Agreement is expected to increase for the year ending 31 December 2022. As such, the expected annual caps for the deposit services under the Existing Financial Services Agreement for the year ending 31 December 2022 shall be increased accordingly.

The terms of the Existing Financial Services Agreement (including the Revision of Annual Caps of the Deposit Services) have been arrived at after arm's length negotiations between the parties. The Directors (excluding all the independent non-executive Directors who will give their opinion based on the recommendations from Gram Capital pursuant to the Hong Kong Listing Rules) have confirmed that the terms of the Existing Financial Services Agreement (including the Revision of Annual Caps of the Deposit Services) and the continuing connected transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

5. Capital Risk Control Measures

Under the Existing Financial Services Agreement, COSCO SHIPPING shall procure COSCO SHIPPING Finance to:

- (1) in order to guarantee the security of the funds of the members of the Group, ensure that its funds management information system (a) operates safely; (b) has passed the security test in respect of the interface with online banking of commercial banks; (c) has attained the security standards for commercial banks in the PRC; and (d) has adopted the certification authority security certificate mode;
- (2) operate strictly in compliance with the risk monitoring indicators guidelines for finance companies issued by the CBIRC, and ensure that its main regulatory indicators such as gearing ratio and liquidity ratio comply with the requirements of the CBIRC and other relevant PRC laws and regulations;
- (3) for the submission of each regulatory report to the CBIRC, submit a copy of the same to the Company's senior management and executive Directors for review;
- (4) (a) submit monthly financial statements to the Company's senior management and executive Directors for review by the fifth business day of the following month; and (b) provide the Company with sufficient information on its various financial indicators and annual financial statements to enable the Group to monitor and review its financial conditions;
- (5) obtain the Company's prior written consent if COSCO SHIPPING Finance makes any long-term equity investment; and
- (6) notify the Company within two business days upon occurrence of the following events of COSCO SHIPPING Finance and take measures to prevent the occurrence or aggravation of loss: (a) impending or anticipated bank runs, failure to pay debts when due, funds liquidity problems, large customer loan default or large advance on guarantee; (b) involvement of directors or senior management in criminal cases; (c) material change in its equity or corporate structure or business operations that affects its normal business; (d) material operational risks which affect or may affect its normal operations; (e) loans owing by its shareholders overdue by over 6 months; (f) non-compliance with any gearing ratio requirement under the Measures for the Administration of Finance Companies of Enterprise Groups; (g) administrative penalty and orders for rectification imposed by the CBIRC; (h) judicial, legal or regulatory proceedings or investigations which have a material impact on its financial position; or (i) other matters which may affect or create concerns for the security of the deposits of members of the Group. In such event, COSCO SHIPPING shall procure COSCO SHIPPING Finance to actively adjust its balance sheet to ensure the security of the relevant assets of members of the Group, and members of the Group have the right to adopt appropriate measures (including early withdrawal of deposits or suspension of the making of further deposits) to safeguard their assets. In addition, in the event of emergencies such as payment difficulties of COSCO SHIPPING Finance, pursuant to the Measures for the Administration of Finance Companies of Enterprise Groups and the articles of association of COSCO SHIPPING Finance, COSCO SHIPPING (as the parent company of COSCO SHIPPING Finance) shall increase the capital of COSCO SHIPPING Finance in accordance with its actual needs for resolving its payment difficulties.

In addition, the Group has adopted risk management policy on transactions with COSCO SHIPPING Finance applicable to deposit services, including:

- (1) COSCO SHIPPING Finance is required to comply with risk management protocols and guidelines promulgated by the CBIRC and the relevant laws and regulations;
- (2) COSCO SHIPPING Finance is required to provide the Company a copy of all relevant licenses;
- (3) COSCO SHIPPING Finance is required to report to the Company the financial ratios of COSCO SHIPPING Finance as set out in “the Interim Measures for the Assessment of Risk Supervision Indicators of Finance Company of Enterprise Group” 《企業集團財務公司風險監管指標考核暫行辦法》 issued by CBIRC within 15 business days after the end of each quarter; COSCO SHIPPING Finance is required to provide the Company a copy of every regulatory report submitted by COSCO SHIPPING Finance to CBIRC; and
- (4) COSCO SHIPPING Finance is required to provide the Company a copy of the financial statements of COSCO SHIPPING Finance on a regular basis.

The Board is of the view that the above capital risk control measures will allow the management of the Group to be informed and notified of any material risks which may harm the recoverability of the deposits placed by the Group with COSCO SHIPPING Finance.

II. MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF ENTERING INTO OF THE COSCO SHIPPING MASTER AGREEMENTS, THE FINANCIAL SERVICES AGREEMENT, THE PIL MASTER SHIPPING AND TERMINAL SERVICES AGREEMENT, AND THE SIPG SHIPPING AND TERMINAL SERVICES AGREEMENT

References are made to the announcements of the Company dated 30 October 2019 and 26 November 2019 respectively, and the circular of the Company dated 5 December 2019, in relation to, among other things, (i) the continuing connected transactions between the Company and COSCO SHIPPING under the Existing COSCO SHIPPING Master Agreements, (ii) the continuing connected transactions between the Company and Pacific International Lines under the Existing PIL Master Shipping and Terminal Services Agreement, and (iii) the continuing connected transactions between the Company and SIPG under the Existing SIPG Shipping and Terminal Services Agreement.

Each of the Existing Agreements will expire on 31 December 2022. In light of the Company’s intention to continue entering into transactions of a similar nature from time to time after such expiry date, on 30 August 2022:

- (1) the Company and COSCO SHIPPING entered into the COSCO SHIPPING Master Agreements in respect of certain transactions, the nature of which is similar to the transactions under the Existing COSCO SHIPPING Master Agreements, for a term of three years from 1 January 2023 to 31 December 2025, which can be extended for further three years as agreed in writing by the parties upon the expiration of the term on the basis that the relevant requirements of the applicable listing rules are satisfied;

- (2) the Company and COSCO SHIPPING Finance entered into the Financial Services Agreement in relation to the provision of certain financial services by COSCO SHIPPING Finance to the Company and its subsidiaries and associates, for a term of three years from 1 January 2023 to 31 December 2025, which can be extended for further three years as agreed in writing by the parties upon the expiration of the term on the basis that the relevant requirements of the applicable listing rules are satisfied;
- (3) the Company and Pacific International Lines entered into the PIL Master Shipping and Terminal Services Agreement in relation to the mutual provision of shipping services and terminal services between the Group and the Pacific International Lines Group for a term of three years from 1 January 2023 to 31 December 2025; and
- (4) the Company and SIPG entered into the SIPG Shipping and Terminal Services Agreement in relation to the mutual provision of shipping services and terminal services between the Group and the SIPG Group for a term of three years from 1 January 2023 to 31 December 2025, which can be extended for further three years as mutually agreed by the parties upon the expiration of the term on the basis that the relevant requirements of the applicable listing rules are satisfied.

Each of the Master Agreements shall take effect subject to the approval of such agreements and the proposed annual caps thereunder from relevant authoritative bodies (including at the meetings of the Board and the Shareholders' meetings, if required) in accordance with the articles of association of the relevant contracting parties, applicable laws, regulations and securities exchange rules.

During the term of each of the Master Agreements, relevant members of the Group may enter into definitive agreements with relevant members of the COSCO SHIPPING Group, the Pacific International Lines Group or the SIPG Group from time to time in respect of the provision and receipt of the relevant goods and services to and/or from the Group, subject to the terms and conditions in compliance with the relevant Master Agreements.

Particulars of the Master Agreements are set forth below:

1. COSCO SHIPPING Master Agreements

(1) Master Shipping Services Agreement

On 30 August 2022, the Company and COSCO SHIPPING entered into the Master Shipping Services Agreement in relation to the mutual provision of shipping services between the Group and the COSCO SHIPPING Group.

- Parties:
- (i) the Company; and
 - (ii) COSCO SHIPPING
- Nature of transaction:
- Mutual provision of the following shipping services between the Group and the COSCO SHIPPING Group:
- (i) vessel fuel;
 - (ii) vessel materials and related repairing services;
 - (iii) vessel safety management, technical consultancy services for vessel and shipbuilding supervision technology services;
 - (iv) vessel lubricants, paint for vessel and maintenance of paint, sea chart and vessel parts;
 - (v) vessel repairing and conversion services;
 - (vi) radio communication equipment reservation, repairing and installation;
 - (vii) provision and repairing of vessel equipment services;
 - (viii) brokerage services in respect of vessel trade and vessel insurance and brokerage services;
 - (ix) container loading and unloading, depot, towage, storage, repairing and disposal services;
 - (x) leasing of chassis vehicles and electricity generators;
 - (xi) seamen leasing, management, training and related services;
 - (xii) freight, slot booking, logistics, custom clearance, vessel agency, cargo canvassing, documentation, collections and payments of shipping freights and other related services; and
 - (xiii) handling of shipping-related disputes and cases; and
 - (xiv) other vessels, containers and shipping-related services.

Pricing policies: The services fees charged under the Master Shipping Services Agreement will be determined with reference to the prevailing market price, being the price charged by independent third parties providing similar types of services in their ordinary course of business in the same or nearby area based on normal commercial terms, and in accordance with the principle of fairness and reasonableness.

Historical Transaction Amounts

The table below sets forth the historical transaction amounts of the transactions under the Existing Master Shipping Services Agreement (after the 2021 Revision of Annual Caps) for (i) the two years ended 31 December 2021, (ii) the six months ended 30 June 2022, and (iii) the annual cap for the year ending 31 December 2022:

	For the year ended 31 December 2020 (RMB' 000) (Audited)	For the year ended 31 December 2021 (RMB' 000) (Audited)	For the six months ended 30 June 2022 (RMB' 000) (Unaudited)	Annual cap for the year ending 31 December 2022 (RMB' 000)
Purchase of shipping services from the COSCO SHIPPING Group	16,660,103	23,112,678	14,472,984	42,000,000
Provision of shipping services to the COSCO SHIPPING Group	2,184,290	5,499,384	2,880,251	7,500,000

As far as the Directors are aware, the respective annual caps for the year ending 31 December 2022 under the Existing Master Shipping Services Agreement had not been exceeded as at the date of this announcement.

Proposed Annual Caps and Basis of Determination for Annual Caps

The proposed annual caps for the transactions contemplated under the Master Shipping Services Agreement for the three years ending 31 December 2025 and the basis of determination for such annual caps are set out as follows:

	For the year ending 31 December 2023 (RMB' 000)	For the year ending 31 December 2024 (RMB' 000)	For the year ending 31 December 2025 (RMB' 000)
Purchase of shipping services from the COSCO SHIPPING Group	48,000,000	50,000,000	53,000,000
Provision of shipping services to the COSCO SHIPPING Group	10,000,000	11,000,000	12,000,000

The above proposed annual caps in relation to the purchase of shipping services from the COSCO SHIPPING Group were determined with reference to (i) the historical transaction amounts; (ii) the expected fuel prices and volatility; (iii) the anticipated exchange rate fluctuations; (iv) the increase in shipping capacity of the Group; and (v) the expected growth in the business of the Group. The above proposed annual caps in relation to the provision of shipping services to the COSCO SHIPPING Group were determined with reference to (i) the historical transaction amounts; (ii) the 2021 Revision of Annual Caps; (iii) the expected growth in the business of the Group; and (iv) the expected increase in service charges.

Reasons for Entering into the Master Shipping Services Agreement

The COSCO SHIPPING Group and the Group have been providing the necessary supporting shipping services to each other since the establishment of the Group. The shipping services, including, among others, vessel fuel, vessel materials and related repairing services, vessel safety management and technical consultancy services for vessels, are essential to the businesses and operations of each other. The vessel services such as vessel repair and provision of vessel lubricants and vessel fuel do not form a main part of the business of the Group. The Directors are of the view that the COSCO SHIPPING Group owns professional companies which provide vessel repairing services and supply vessel lubricants and vessel fuel, therefore securing the shipping services from the COSCO SHIPPING Group, who is an experienced service provider in the shipping industry, and enhancing the competitiveness of the Group.

Certain members of the Group also provide shipping services to the self-operated vessels of the COSCO SHIPPING Group in certain domestic and overseas regions. Provision of shipping services to the COSCO SHIPPING Group in such areas will enhance the business scope and reduce the operation costs of the Group, and improve the operational efficiency. On the other hand, purchase of shipping services from the COSCO SHIPPING Group will not only improve the Group's operational efficiency in such areas, but also enhance the business scope and reduce the operation costs of the Group. The Directors are of the view that through the Master Shipping Services Agreement, the Group could leverage on the expertise and scale of the shipping services and would be able to negotiate more favorable terms compared with that of other independent service providers.

(2) *Master Vessel and Container Asset Services Agreement*

On 30 August 2022, the Company and COSCO SHIPPING entered into the Master Vessel and Container Asset Services Agreement in relation to, among other things, the leasing of vessels and containers and the services of purchase and manufacture of containers provided by the COSCO SHIPPING Group to the Group.

Parties: (i) the Company; and

(ii) COSCO SHIPPING

Nature of transaction: The COSCO SHIPPING Group shall provide the leasing of vessels and containers and the services of purchase and manufacture of containers to the Group.

Pricing policy: The fees payable by the Group under the Master Vessel and Container Asset Services Agreement shall be determined with reference to the prevailing market price, being the price charged by independent third parties providing similar types of products and/or services in their ordinary course of business in the same or nearby area based on normal commercial terms, and in accordance with the principle of fairness and reasonableness.

Historical Transaction Amounts

The table below sets forth the historical transaction amounts of the leasing of vessels and containers and the services of purchase and manufacture of containers payable by the Group to the COSCO SHIPPING Group under the Existing Master Vessel and Container Asset Services Agreement for (i) the two years ended 31 December 2021, and (ii) the six months ended 30 June 2022, and (iii) the annual cap for the year ending 31 December 2022:

	For the year ended 31 December 2020 (RMB' 000) (Audited)	For the year ended 31 December 2021 (RMB' 000) (Audited)	For the six months ended 30 June 2022 (RMB' 000) (Unaudited)	Annual cap for the year ending 31 December 2022 (RMB' 000)
Aggregate amount payable by the Group to the COSCO SHIPPING Group in respect of leasing of vessels and containers and the services of purchase and manufacture of containers	8,178,329	4,345,888	1,111,675	20,000,000

As far as the Directors are aware, the annual cap for the year ending 31 December 2022 under the Existing Master Vessel and Container Asset Services Agreement had not been exceeded as at the date of the announcement.

Proposed Annual Caps and Basis of Determination for Annual Caps

The proposed annual caps for the transactions contemplated under the Master Vessel and Container Asset Services Agreement for the three years ending 31 December 2025 and the basis of determination for such annual caps are set out as follows:

	For the year ending 31 December 2023 (RMB' 000)	For the year ending 31 December 2024 (RMB' 000)	For the year ending 31 December 2025 (RMB' 000)
Aggregate amount payable by the Group to the COSCO SHIPPING Group in respect of leasing of vessels and containers and the services of purchase and manufacture of containers	12,000,000	16,000,000	22,000,000

The above proposed annual caps in respect of leasing of vessels and containers and the services of purchase and manufacture of containers were determined with reference to (i) the historical transaction amounts; (ii) the expected demand for leasing of vessels and containers and the manufacture of containers; (iii) the anticipated fluctuations in the exchange rate of RMB against the US dollar; (iv) the expected fluctuations in the market rents of vessel and container; and (v) the expansion of the business scale of the Group.

Reasons for Entering into the Master Vessel and Container Asset Services Agreement

The Directors believe that the Master Vessel and Container Asset Services Agreement is in line with the business and commercial objectives of the Company. In view of the rapid expansion and development of both international and domestic container transportation market, improving shipping route network layout as well as good corporate brand and creditworthiness of the COSCO SHIPPING Group, the Directors believe that the continuing long-term collaboration in respect of the vessel and container asset leasing and container manufacturing services between the Group and the COSCO SHIPPING Group would decrease operating costs and achieve advantages complementation, as well as achieve synergy in the domestic and international shipping market. The Directors believe that the entering into the Master Vessel and Container Asset Services Agreement can provide flexibility to the Company's business operations as it enables the Company to react timely to demand for container shipping by being able to lease additional vessels and containers from the COSCO SHIPPING Group.

(3) *Master Port Services Agreement*

On 30 August 2022, the Company and COSCO SHIPPING entered into the Master Port Services Agreement in relation to the mutual provision of port services between the COSCO SHIPPING Group and the Group.

Parties:	(i) the Company; and (ii) COSCO SHIPPING
Nature of transaction:	The mutual provision of the following port and other related services between the COSCO SHIPPING Group and the Group: (i) containers and goods loading and unloading at port; (ii) container port and shipping services; (iii) port concession arrangements; (iv) leasing and electricity supply in relation to port coastline and port land; and (v) other port-related and ancillary services, including but not limited to handling, storage, stevedoring, transshipment, maintenance of cargoes and provision of container storage space and terminal facilities.
Pricing policy:	The services fees charged under the Master Port Services Agreement will be determined with reference to the prevailing market price, being the price charged by independent third parties providing similar types of services in their ordinary course of business in the same or nearby area based on normal commercial terms, and in accordance with the principle of fairness and reasonableness.

Historical Amounts

The table below sets forth the historical transaction amounts of the transactions under the Existing Master Port Services Agreement (after the 2021 Revision of Annual Caps) for (i) the two years ended 31 December 2021, (ii) the six months ended 30 June 2022, and (iii) the annual cap for the year ending 31 December 2022:

	For the year ended 31 December 2020 (RMB' 000) (Audited)	For the year ended 31 December 2021 (RMB' 000) (Audited)	For the six months ended 30 June 2022 (RMB' 000) (Unaudited)	Annual cap for the year ending 31 December 2022 (RMB' 000)
Purchase of services from the COSCO SHIPPING Group	2,908,341	3,014,618	1,574,410	4,500,000
Provision of services to the COSCO SHIPPING Group	132,334	185,446	91,208	800,000

As far as the Directors are aware, the annual caps for the year ending 31 December 2022 under the Existing Master Port Services Agreement had not been exceeded as at the date of the announcement.

Proposed Annual Caps and Basis of Determination for Annual Caps

The proposed annual caps for the transactions contemplated under the Master Port Services Agreement for the three years ending 31 December 2025 and the basis of determination for such annual cap amounts are set out as follows:

	For the year ending 31 December 2023 (RMB' 000)	For the year ending 31 December 2024 (RMB' 000)	For the year ending 31 December 2025 (RMB' 000)
Purchase of services from the COSCO SHIPPING Group	6,000,000	7,000,000	8,000,000
Provision of services to the COSCO SHIPPING Group	800,000	800,000	800,000

The above proposed annual caps in relation to the purchase of services from the COSCO SHIPPING Group were determined by reference to (i) the historical transaction amounts; (ii) the 2021 Revision of Annual Caps; (iii) general inflation and increase in costs; (iv) exchange rate fluctuations; and (v) the expected growth in the business of the Group. The above proposed annual caps in relation to the provision of services to the COSCO SHIPPING Group were determined by reference to (i) the historical transaction amounts; (ii) general inflation; (iii) exchange rate fluctuations; (iv) the possibility of acquiring new terminal projects and the Group's additional berths and newly opened terminals that are expected to be put into operation in the next three years, and the potential terminal acquisition that will be completed by the Group in the next three years; and (v) the expected increase in the number of fleets and shipping volume of COSCO SHIPPING Group's subsidiaries through synergies to be achieved with COSCO SHIPPING Group and the OCEAN Alliance.

Reasons for Entering into the Master Port Services Agreement

The purchase of services from the COSCO SHIPPING Group under the Master Port Services Agreement is consistent with the business and commercial objectives of the Group. In light of the good relationship between COSCO SHIPPING and the Group, the Group had negotiated more favorable terms with COSCO SHIPPING compared with other suppliers historically and is expected to be able to continue to negotiate more favorable terms with COSCO SHIPPING compared with other suppliers. The provision of services to the COSCO SHIPPING Group under the Master Port Services Agreement are part of or related to the principal business activities of the Group and are expected to increase the revenue of the Group and provide the Group with overall business and operational convenience and synergy.

(4) Master General Services Agreement

On 30 August 2022, the Company and COSCO SHIPPING entered into the Master General Services Agreement in relation to the mutual provision of general services between the Group and the COSCO SHIPPING Group.

Parties:	(i) the Company; and (ii) COSCO SHIPPING
Nature of transaction:	Mutual provision of the following general services between the Group and the COSCO SHIPPING Group: (i) network services, maintenance services of computer systems and related softwares systems; (ii) hotel, air tickets, conference and marketing services; (iii) business meals and staff lunch; (iv) labor products, labor protection products, office supplies and e-commerce products; (v) car leasing, repairing and maintenance services; (vi) repairing services of office equipment, property maintenance, back office, administration and other services; (vii) property lease and leased properties related management services; (viii) printing services, printer repairing and maintenance, paper supply and file management services; (ix) staff secondment services; (x) provision of insurance for senior management; (xi) medical services; (xii) training services; (xiii) express mail and greenery services; and (xiv) other related and ancillary services.

Pricing policies: The services fees charged under the Master General Services Agreement will be determined with reference to the prevailing market price, being the price charged by independent third parties providing similar types of services in their ordinary course of business in the same or nearby area based on normal commercial terms, and in accordance with the principle of fairness and reasonableness.

Historical Transaction Amounts

The table below sets forth the historical transaction amounts of the transactions under the Existing Master General Services Agreement for (i) the two years ended 31 December 2021, (ii) the six months ended 30 June 2022 and (iii) the annual cap for the year ending 31 December 2022:

	For the year ended 31 December 2020 (RMB' 000) (Audited)	For the year ended 31 December 2021 (RMB' 000) (Audited)	For the six months ended 30 June 2022 (RMB' 000) (Unaudited)	Annual cap for the year ending 31 December 2022 (RMB' 000)
Purchase of services from the COSCO SHIPPING Group	248,343	198,825	84,806	400,000
Provision of services to the COSCO SHIPPING Group	6,070	24,432	8,587	90,000

As far as the Directors are aware, the respective annual caps for the year ending 31 December 2022 under the Existing Master General Services Agreement had not been exceeded as at the date of this announcement.

Proposed Annual Caps and Basis of Determination for Annual Caps

The proposed annual caps for the transactions contemplated under the Master General Services Agreement for the three years ending 31 December 2025 and the basis of determination for such annual caps are set out as follows:

	For the year ending 31 December 2023 (RMB' 000)	For the year ending 31 December 2024 (RMB' 000)	For the year ending 31 December 2025 (RMB' 000)
Purchase of services from the COSCO SHIPPING Group	600,000	600,000	600,000
Provision of services to the COSCO SHIPPING Group	150,000	150,000	150,000

The above proposed annual caps in relation to the purchase of services from the COSCO SHIPPING Group and the provision of services to the COSCO SHIPPING Group were determined with reference to (i) the historical transaction amounts; (ii) general inflation and increase in costs; and (iii) the expected growth in the business of the Group.

Reasons for Entering into the Master General Services Agreement

The Directors consider the Master General Services Agreement to be consistent with the business and commercial objectives of the Company. The Group requires general services to support its operations. The services covered by the Master General Services Agreement are in great variety. In order to focus on its principal businesses, the Group relies on external service providers for such general services. COSCO SHIPPING owns professional companies which are able to provide the above supporting services to the Group. In light of the good cooperation relationship between COSCO SHIPPING and the Group, the Group had negotiated more favorable terms with COSCO SHIPPING compared with other suppliers historically and is expected to be able to continue to negotiate more favorable terms with COSCO SHIPPING compared with other suppliers.

Certain subsidiaries of the Company also provide general services, including, among others, provision of office supplies, training services, business meals and staff lunch, express mail services, car leasing, premise leasing, property leasing and management services, computer maintenance, insurance for senior management, hotel, conference and air ticket booking services and other general services to the COSCO SHIPPING Group in certain domestic and overseas areas. Provision of such services to the COSCO SHIPPING Group will enhance the business scope and operational efficiency and reduce the operation costs of the Group.

(5) Trademark Licence Agreement

The Existing Trademark Licence Agreement will expire on 31 December 2022 and COSCO SHIPPING has agreed to renew the non-exclusive licence granted to the Company and its subsidiaries by COSCO SHIPPING for using certain trademarks owned by COSCO SHIPPING upon terms and conditions as similar to those set out in the Existing Trademark Licence Agreement. Therefore, on 30 August 2022, the Company (for itself and on behalf of its subsidiaries) and COSCO SHIPPING (for itself and on behalf of its subsidiaries (excluding the Company and its subsidiaries and other subsidiaries of COSCO SHIPPING which are listed on a stock exchange)) entered into the Trademark Licence Agreement, pursuant to which COSCO SHIPPING has granted a non-exclusive licence to the Company and its subsidiaries with the right to use certain trademarks at the rate of RMB1.00 per annum for a term from 1 January 2023 to 31 December 2025.

2. Financial Services Agreement

On 30 August 2022, the Company and COSCO SHIPPING Finance entered into the Financial Services Agreement in relation to the provision of certain financial services by COSCO SHIPPING Finance to the Company and its subsidiaries and associates.

Parties: (i) the Company; and

(ii) COSCO SHIPPING Finance

Nature of transaction: Pursuant to the Financial Services Agreement, COSCO SHIPPING Finance will provide the Company and its subsidiaries and associates with certain financial services, including the following:

(i) deposit services;

(ii) loan services;

(iii) clearing services;

(iv) foreign exchange services; and

(v) any other services that COSCO SHIPPING Finance can engage in as permitted by the CBIRC.

The transaction terms of the services to be provided under the Financial Services Agreement shall be normal commercial terms and fair and reasonable, and shall not be less favourable to the Company and its subsidiaries than those offered by COSCO SHIPPING Finance to other members of the COSCO SHIPPING Group for the same type of services and shall not be less favourable than the terms offered by other financial institutions to the Company and its subsidiaries and associates for the same type of services.

Pricing policies: The interest rates for deposits shall be determined (i) not lower than the benchmark interest rate for the same type of deposit in the same period promulgated by the PBOC, with reference to the interest rate prevailing in the market, being the interest rate determined by independent third party commercial banks providing same type of deposit services in their ordinary course of business in the same or nearby service area based on normal commercial terms, and in accordance with the principle of fairness and reasonableness; and (ii) with reference to the interest rate determined by COSCO SHIPPING Finance on the same type of loans extended to other members with equivalent qualifications within the COSCO SHIPPING Group in the corresponding period.

The interest rates for loans shall be determined (i) not higher than the loan prime rate as announced by the National Interbank Funding Center as authorized by the PBOC, with reference to the interest rate prevailing in the market, being the interest rate determined by independent third party commercial banks providing same type of loan services in their ordinary course of business in the same or nearby service area based on normal commercial terms, and in accordance with the principle of fairness and reasonableness; and (ii) with reference to the interest rate determined by COSCO SHIPPING Finance on the same type of loans extended to other members with equivalent qualifications within the COSCO SHIPPING Group in the corresponding period.

COSCO SHIPPING Finance does not charge any fees to the Company and its subsidiaries and associates on the clearing services for the time being.

The pricing policies for other services, including but not limited to foreign exchange services, shall be determined with reference to (i) with reference to the standard charges for the same type of financial services stipulated by the PBOC or the CBIRC (if applicable); (ii) the handling fees charged by independent third party commercial banks to the Company and its subsidiaries and associates for the same type of services; and (iii) the handling fees charged by COSCO SHIPPING Finance to other third party entities with the same qualifications for the same type of services.

Historical Transaction Amounts

The table below sets forth the historical transaction amounts of the financial services provided by COSCO SHIPPING Finance to the Company and its subsidiaries under the Existing Financial Services Agreement (after the 2021 Revision of Annual Caps) for (i) the two years ended 31 December 2021, (ii) the six months ended 30 June 2022, and (iii) the annual cap for the year ending 31 December 2022 under the Existing Financial Services Agreement:

	For the year ended 31 December 2020 (RMB' 000) (Audited)	For the year ended 31 December 2021 (RMB' 000) (Audited)	For the six months ended 30 June 2022 (RMB' 000) (Unaudited)	Annual cap for the year ending 31 December 2022 (RMB' 000)
Deposit Services				
Maximum daily outstanding balance of deposits (including accrued interest and handling fee) placed by the Company and its subsidiaries with COSCO SHIPPING Finance	17,188,294	74,682,116	74,079,542	75,000,000
Loan Services				
Maximum daily outstanding balance of loans (including accrued interest and handling fee) granted by COSCO SHIPPING Finance and its subsidiaries	3,256,800	1,544,800	1,677,607	26,000,000
Other Financial Services				
Other financial services (including clearing services, foreign exchange services and any other services that COSCO SHIPPING Finance can engage in as permitted by the CBIRC) provided by COSCO SHIPPING Finance to the Company and its subsidiaries	17,274	37,798	10,364	40,000

As far as the Directors are aware, the annual caps for the year ending 31 December 2022 had not been exceeded as at the date of this announcement.

Proposed Annual Caps and Basis of Determination for Annual Caps

The proposed annual caps for the transactions contemplated under the Financial Services Agreement for the three years ending 31 December 2025 and the basis of determination for such annual caps are set out as follows:

(a) *Deposit Services*

	For the year ending 31 December 2023 (RMB' 000)	For the year ending 31 December 2024 (RMB' 000)	For the year ending 31 December 2025 (RMB' 000)
Maximum daily outstanding balance of deposits (including accrued interest and handling fee) to be placed by the Company and its subsidiaries with COSCO SHIPPING Finance	150,000,000	150,000,000	150,000,000

The above proposed annual caps were determined with reference to (i) the historical transaction amounts; (ii) the steady improvement in operating results and the significant increase in net operating cash flow of the Group due to the continuous growth of the container shipping market in recent years, and the expected increase in the transaction amount of deposits services under the Financial Services Agreement; (iii) the anticipated fluctuations in the exchange rate of RMB against the US dollar; and (iv) the expansion of the business scale of the Group.

(b) *Loan Services*

	For the year ending 31 December 2023 (RMB' 000)	For the year ending 31 December 2024 (RMB' 000)	For the year ending 31 December 2025 (RMB' 000)
Maximum daily outstanding balance of loans (including accrued interest and handling fee) to be granted by COSCO SHIPPING Finance to the Company and its subsidiaries	26,000,000	26,000,000	26,000,000

The above proposed annual caps were determined with reference to (i) the historical transaction amounts; (ii) the capital management strategies of the Company; and (iii) the anticipated increase in demand of the Group for other financial services as a result of its business growth.

(c) *Other Financial Services*

	For the year ending 31 December 2023 (RMB' 000)	For the year ending 31 December 2024 (RMB' 000)	For the year ending 31 December 2025 (RMB' 000)
Other financial services (including clearing services, foreign exchange services and any other services that COSCO SHIPPING Finance can engage in as permitted by the CBIRC) to be provided by COSCO SHIPPING Finance to the Company and its subsidiaries	80,000	80,000	80,000

The above proposed annual caps were determined with reference to (i) historical transaction amounts; (ii) the capital management strategies of the Company; (iii) the anticipated increase in demand of the Group for other financial services as a result of its business growth; and (iv) the expected positive development in the shipping market.

Reasons for Entering into the Financial Services Agreement

Facing rising uncertainties in the global macro environment, sufficient cash reserves will help the Group to enhance its ability to resist risks and stabilize cyclical fluctuations, and seize potential industrial opportunities to achieve high quality and sustainable development. The services under the financial services agreement, such as the deposits and credit services, will match the strategic development goals of the Company, and achieve the targets of capital risk management and maximization of capital value.

In May 2022, the Company entered into an equity transfer agreement to acquire certain equity interests in COSCO SHIPPING Finance. Upon completion of such transaction, the Group holds 22.9688% of the equity interests in COSCO SHIPPING Finance and is the second largest shareholder of COSCO SHIPPING Finance. Therefore, while reaping the economic benefits brought by the service improvement of COSCO SHIPPING Finance, the Group can participate in the decision-making process of COSCO SHIPPING Finance, to exert certain level of influence on its operation and gain more effective support for building capacity of shipping supply chain based on globalization and digitalization of the Group. To the best knowledge and belief of the Directors, COSCO SHIPPING Finance operates strictly in accordance with the guidelines on risk monitoring indicators promulgated by the CBIRC, with sound capital risk control measures and effective internal control procedures, which is conducive to the strengthening of capital supervision and prevention of capital risks is of the Company and is in the interests of the Shareholders of the Company as a whole.

3. PIL Master Shipping and Terminal Services Agreement

On 30 August 2022, the Company and Pacific International Lines entered into the PIL Master Shipping and Terminal Services Agreement in relation to the mutual provision of shipping and terminal services between the COSCO SHIPPING Group and the Pacific International Lines Group.

Parties:	(i) the Company; and (ii) Pacific International Lines
Nature of transaction:	Mutual provision between the COSCO SHIPPING Group and the Pacific International Lines Group of the following services: (i) shipping route services such as vessels leasing, cargo space rental and cargo space exchange; (ii) terminal services; (iii) container manufacturing, repairing, demurrage and transportation services; and (iv) other services relating to the shipping and terminal services.
Pricing policy:	The pricing for the provision of the shipping services and terminal services shall be determined with reference to the prevailing market price and other trading conditions (if any), being the price and other trading conditions (if any) as required by independent third parties providing similar types of products and/or services in their ordinary course of business in the same or nearby area based on normal commercial terms, and in accordance with the principle of fairness and reasonableness.

Historical Transaction Amounts

The table below sets forth the historical transaction amounts of transactions under the Existing PIL Master Shipping and Terminal Services Agreement for (i) the two years ended 31 December 2021, (ii) six months ended 30 June 2022, and (iii) the annual cap for the year ending 31 December 2022:

	For the year ended 31 December 2020 (RMB' 000) (Audited)	For the year ended 31 December 2021 (RMB' 000) (Audited)	For the six months ended 30 June 2022 (RMB' 000) (Unaudited)	Annual cap for the year ending 31 December 2022 (RMB' 000)
Aggregate amount payable by the Group to the Pacific International Lines Group	32,178	103,131	63,138	350,000
Aggregate amount payable by the Pacific International Lines Group to the Group	123,532	62,779	1,333	1,000,000

As far as the Directors are aware, the respective annual caps for the year ending 31 December 2022 under the Existing PIL Master Shipping and Terminal Services Agreement had not been exceeded as at the date of the announcement.

Proposed Annual Caps and Basis of Determination for Annual Caps

The proposed annual caps for the transactions contemplated under the PIL Master Shipping and Terminal Services Agreement for the three years ending 31 December 2025 and the basis of determination for such annual caps are set out as follows:

	For the year ending 31 December 2023 (RMB' 000)	For the year ending 31 December 2024 (RMB' 000)	For the year ending 31 December 2025 (RMB' 000)
Aggregate amount payable by the Group to the Pacific International Lines Group	1,200,000	2,000,000	2,800,000
Aggregate amount payable by the Pacific International Lines Group to the Group	600,000	600,000	600,000

The above proposed annual caps in relation to the aggregate amounts payable by the Group to the Pacific International Lines Group and the aggregate amounts payable by the Pacific International Lines Group to the Group were determined with reference to (i) the historical transaction amounts; (ii) the expected demand by Pacific International Lines for the shipping and terminal services from the Group; and (iii) the expected demand by the Group for containers from Pacific International Lines and the forecast unit price of containers.

Reasons for Entering into the PIL Master Shipping and Terminal Services Framework Agreement

The Group is principally engaged in container shipping and terminal businesses, while the main businesses of Pacific International Lines are shipping, container manufacturing, freight forwarding, warehousing, logistics and yard etc.

The vessels from the Pacific International Lines Group have been and will be docked at terminals controlled by the Group. In addition, relevant services, including but not limited to handling, storage, stevedoring, transshipment, maintenance of cargos, provision of container storage space and terminal premises, will be provided to the Pacific International Lines Group. In addition, the Group purchases containers and container maintenance services from Pacific International Lines from time to time based on the actual operations of the Group in order to meet its own operational needs, which can reduce the operating costs of the Group.

Pacific International Lines Group and the Group have obtained the qualifications to provide relevant services mentioned above, and are familiar with the business operations of the parties and were able to strictly perform the obligations stipulated in the related party transaction agreements in previous transactions to provide efficient services to the parties. The above transactions are conducive to safeguard the normal operation of the Group's production and operation activities, thereby facilitating the development of the Group's business.

4. SIPG Shipping and Terminal Services Agreement

On 30 August 2022, the Company and SIPG entered into the SIPG Shipping and Terminal Services Agreement in relation to the provision of shipping services by the Group to the SIPG Group and the provision of terminal services by the SIPG Group to the Group.

Parties: (i) the Company; and

(ii) SIPG

Nature of transaction: The Group shall provide shipping services and other related services to the SIPG Group, including:

(i) cargo transportation, logistics agency, cargo space rental and exchange;

(ii) logistics services, towing and depot services; and

(iii) ancillary services relating to the shipping services.

The SIPG Group shall provide terminal services and other related services to the Group, including:

(i) container terminal services, including but not limited to the handling of the berthing for the container vessels of the members of the Group and loading and unloading, depot, transshipment, transportation and information and other services;

(ii) transfer of containers for international lines, containers for domestic lines and empty containers for members of the Group;

(iii) container vessels tug operations, piloting services, cargo handling services, and transshipment by sea of containers;

(iv) shipping agency, towing, depot and other services;

(v) housing rental and parking space rental services and other services; and

(vi) other terminal-related ancillary services.

Pricing policy: The pricing for the provision of the shipping services and terminal services shall be determined with reference to the prevailing market price, being the price charged by independent third parties providing similar types of services in their ordinary course of business in the same or nearby area based on normal commercial terms, and in accordance with the principle of fairness and reasonableness.

Historical Transaction Amounts

The table below sets forth the historical transaction amounts of transactions under the Existing SIPG Shipping and Terminal Services Agreement for (i) the two years ended 31 December 2021, (ii) six months ended 30 June 2022, and (iii) the annual cap for the year ending 31 December 2022:

	For the year ended 31 December 2020 <i>(RMB' 000)</i> <i>(Audited)</i>	For the year ended 31 December 2021 <i>(RMB' 000)</i> <i>(Audited)</i>	For the six months ended 30 June 2022 <i>(RMB' 000)</i> <i>(Unaudited)</i>	Annual cap for the year ending 31 December 2022 <i>(RMB' 000)</i>
Aggregate amount payable by the Group to the SIPG Group for the terminal services	2,089,798	1,532,424	372,473	3,500,000
Aggregate amount payable by the SIPG Group to Group for the shipping services	17,434	11,530	44,942	500,000

As far as the Directors are aware, the annual caps for the year ending 31 December 2022 under the Existing SIPG Shipping and Terminal Services Agreement had not been exceeded as at the date of the announcement.

Proposed Annual Caps and Basis of Determination for Annual Caps

The proposed annual caps for the transactions contemplated under the SIPG Shipping and Terminal Services Agreement for the three years ending 31 December 2025 and the basis of determination for such annual caps are set out as follows:

	For the year ending 31 December 2023 <i>(RMB' 000)</i>	For the year ending 31 December 2024 <i>(RMB' 000)</i>	For the year ending 31 December 2025 <i>(RMB' 000)</i>
Aggregate amount payable by the Group to the SIPG Group for the terminal services	3,500,000	3,500,000	3,500,000
Aggregate amount payable by the SIPG Group to Group for the shipping services	500,000	500,000	500,000

The above proposed annual caps for the transactions under the SIPG Shipping and Terminal Services Agreement were determined with reference to the current cooperation between COSCO SHIPPING Lines Co., Ltd. and OOIL, being subsidiaries of the Company, and the SIPG Group, taking into account the future allocation of the shipping capacity and anticipated growth of the relevant businesses of the Group.

Reasons for Entering into the SIPG Shipping and Terminal Services Agreement

The Group has extensive experience and offers comprehensive services and a comprehensive management system in respect of shipping services, whereas the SIPG Group has extensive experience, and offers comprehensive services and a comprehensive management system in respect of terminal services. The terminal services to be provided by SIPG Group are requisite complementary services to the core businesses of the Group, and the shipping services to be provided by the Group are requisite complementary services to the core businesses of the SIPG Group. Therefore, the parties have agreed to enter into the SIPG Shipping and Terminal Services Agreement for the provision of the shipping services and terminal services, leveraging on their respective strengths in such businesses.

SIPG Group and the Group have obtained the qualifications to provide relevant services mentioned above, and are familiar with the business operations of the parties and were able to strictly perform the obligations stipulated in the related party transaction agreements in previous transactions to provide efficient services to the parties. The above transactions are conducive to safeguard the normal operation of the Group's production and operation activities, thereby facilitating the development of the Group's business.

III. INFORMATION ON THE PARTIES TO THE MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The Company was established in the PRC on 3 March 2005. The Group provides a wide range of container shipping and terminal services covering the whole shipping value chain for both international and domestic customers.

COSCO SHIPPING is a state-owned enterprise wholly-owned and controlled by SASAC. 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, maritime engineering etc.

COSCO SHIPPING Finance is a company established in the PRC, and is a non-bank financial institution approved and regulated by the PBOC and the CBIRC. It was established by way of joint capital contribution by COSCO SHIPPING and its subsidiaries as members, with COSCO SHIPPING being the de facto controller. It is principally engaged in the provision of financial services to the abovementioned members. In May 2022, the Company entered into an equity transfer agreement to acquire certain equity interests in COSCO SHIPPING Finance, pursuant to which the Group will hold 22.9688% of the equity interests in COSCO SHIPPING Finance and become the second largest shareholder of COSCO SHIPPING Finance upon completion.

Pacific International Lines is a company incorporated in Singapore with limited liability. Its principal business activities are vessels and related businesses owned or operated by Pacific International Lines, such as shipping, container manufacturing, freight forwarding, warehousing, logistics and yard etc..

SIPG is a company incorporated under the laws of the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600018). SIPG is principally engaged in port-related businesses, including international and domestic loading and unloading (with transfer), storage, transshipment and waterway and land transport of goods (including containers); devanning or consolidating containers, cleaning, maintenance, manufacturing and leasing of containers.

IV. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

The Revision of Annual Caps of the Deposit Services, COSCO SHIPPING Master Agreements and the Financial Services Agreement

COSCO SHIPPING is the indirect controlling Shareholder and therefore members of the COSCO SHIPPING Group (including COSCO SHIPPING Finance) are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the Revision of Annual Caps of the Deposit Services, transactions contemplated under each of the COSCO SHIPPING Master Agreements and the Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

PIL Master Shipping and Terminal Services Agreement

Mr. Teo Siong Seng (an independent non-executive Director), together with his family members (as defined in Rule 14A.12(2)(a) of the Hong Kong Listing Rules), is able to control the composition of the majority of the board of directors of Pacific International Lines. Accordingly, Pacific International Lines is a connected person of the Company and the transactions under the PIL Master Shipping and Terminal Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

SIPG Shipping and Terminal Services Agreement

As at the date of this announcement, SIPG holds 20% of the equity interests in Shanghai Pan Asia, a non-wholly subsidiary of the Company. Therefore, SIPG is a substantial shareholder of Shanghai Pan Asia and a connected person of the Company at the subsidiary level. Accordingly, the entering into of the SIPG Shipping and Terminal Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

The Board has approved the transactions contemplated under the SIPG Shipping and Terminal Services Agreement; and the independent non-executive Directors have confirmed that the terms of the transactions under the SIPG Shipping and Terminal Services Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Therefore, the transactions under the SIPG Shipping and Terminal Services Agreement and the proposed annual caps for such transactions are subject to the reporting, annual review and announcement requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios of the Revision of Annual Caps of the Deposit Services and the proposed annual caps in respect of the transactions contemplated under the Master Shipping Services Agreement and the deposit transactions contemplated under the Financial Services Agreement exceed 25%, such transactions constitute continuing connected transactions and major transactions of the Company, and therefore the Revision of Annual Caps of the Deposit Services, the Master Shipping Services Agreement, the Financial Services Agreement, and the transactions and the respective proposed annual caps contemplated thereunder are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios of the proposed annual caps in respect of the transactions contemplated under the Master Vessel and Container Asset Services Agreement exceed 5%, such transactions and the respective proposed annual caps for such transactions for each of the three years ending 31 December 2025 are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios of the proposed annual caps in respect of the transactions contemplated under each of the Master Port Services Agreement, the Master General Services Agreement, and the PIL Master Shipping and Terminal Services Agreement exceed 0.1% but are all less than 5%, such transactions and the respective proposed annual caps for such transactions for each of the three years ending 31 December 2025 are subject to the reporting, annual review and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As all of the applicable percentage ratios of the proposed annual caps in respect of the transactions contemplated under the Trademark Licence Agreement are below 0.1%, such transactions are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. The Trademark Licence Agreement is disclosed in this announcement in light of the requirements of the Shanghai Listing Rules as set out below.

V. REQUIREMENTS UNDER THE SHANGHAI LISTING RULES

Pursuant to the Shanghai Listing Rules, (i) transaction amounts of all types of related party transactions entered into between the Company and the same related party within a 12-month period shall be aggregated (save for those which have complied with the relevant approval and/or disclosure procedures); (ii) transaction amounts of related party transactions with related subject under the same transaction category entered into between the Company and different related parties within a 12-month period shall be aggregated (save for those which have complied with the relevant approval and/or disclosure procedures); and (iii) if the total aggregated transaction amount is more than RMB30 million and exceeds 5% of the latest audited net asset value of the Company and its subsidiaries, such related party transactions shall be presented to a general meeting for independent shareholders' approval. As the continuing connected transactions under the COSCO SHIPPING Master Agreements and the Financial Services Agreement also constitute related party transactions of the Company under the Shanghai Listing Rules and were all entered into between the Company and COSCO SHIPPING or COSCO SHIPPING Finance, which is under COSCO SHIPPING's control, the proposed annual caps in respect of the continuing connected transactions under the COSCO SHIPPING Master Agreements and the Financial Services Agreement shall be aggregated pursuant to the requirements under the Shanghai Listing Rules. As the continuing connected transactions under the Master Shipping Services Agreement, the Master Port Services Agreement, the PIL Master Shipping and Terminal Services Agreement and the SIPG Shipping and Terminal Services Agreement constitute related party transactions with related subject under the same transaction category entered into between the Company and different related parties under the Shanghai Listing Rules, all the proposed annual caps in respect of the continuing connected transactions under the Master Shipping Services Agreement, the Master Port Services Agreement, the PIL Master Shipping and Terminal Services Agreement, and the SIPG Shipping and Terminal Services Agreement shall be aggregated pursuant to the requirements under the Shanghai Listing Rules. The aggregated amount shall exceed 5% of the latest audited net asset value of the Company and its subsidiaries. Accordingly, despite that only the Non-exempt Master Agreements and the proposed annual caps thereunder are required to be approved by the Shareholders under the Hong Kong Listing Rules, ordinary resolutions will be proposed at the EGM for the Shareholders to consider and, if thought fit, approve all the continuing connected transactions under each of the COSCO SHIPPING Master Agreements, the Financial Services Agreement, the PIL Master Shipping and Terminal Services Agreement, and the SIPG Shipping and Terminal Services Agreement and the proposed annual caps contemplated thereunder.

VI. 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 Hong Kong Listing Rules, as part of the Group's internal controls systems to ensure that the transactions between the Group and its connected persons are conducted in accordance with the pricing policy under the Master Agreements, the Group will implement the following internal control arrangements:

- (i) The Company will regularly examine the pricing of transactions under the Master Agreements to ensure that the continuing connected transactions under the Master Agreements are conducted in accordance with the pricing terms thereof, including reviewing the transaction records of the Company for the purchase or provision of similar goods or services from or to independent third parties, as the case may be.
- (ii) The Company may request for written documents to be provided by the connected persons under the Master Agreements to demonstrate that their transaction pricing complies with the pricing terms as stipulated in the Master Agreements and that the prices offered to or received from the Group are not less favorable to the Group than the prices offered to or received from other independent third parties for similar types of services or goods.
- (iii) The legal and risk management department of the Company will regularly convene meetings to discuss issues in the transactions under the Master Agreements and recommendations for improvement.
- (iv) The legal and risk management department of the Company will summarize the transaction amounts incurred under the Master Agreements regularly on a monthly basis and submit reports to the management of the Company. The management and the competent departments of the Company can be informed of the status of the continuing connected transactions in a timely manner such that the transactions can be conducted within the annual caps.

The Board is of the view that the above methods and procedures can ensure that the pricing and other contract terms for the Group's continuing connected transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders and that the continuing connected transactions are conducted as agreed in the relevant Master Agreements and in compliance with Chapter 14A of the Hong Kong Listing Rules.

VII. DIRECTORS' CONFIRMATION

Mr. Wan Min, Mr. Huang Xiaowen, and Mr. Yang Zhijian, who are Directors nominated by COSCO, have abstained from voting on the resolutions of the Board approving the Revision of Annual Caps of the Deposit Services, the transactions under the COSCO SHIPPING Master Agreements and the Financial Services Agreement pursuant to the Articles of Association. Other than the above mentioned Directors, the remaining Directors are the independent non-executive Directors.

Mr. Teo Siong Seng has abstained from voting on the resolution of the Board to consider and approve the transactions under the PIL Master Shipping and Terminal Services Agreement due to his material interest therein pursuant to the Articles of Association.

Save as disclosed above, none of the Directors has a material interest in the Revision of Annual Caps of the Deposit Services or the transactions under the Master Agreements and is required to abstain from voting on the relevant resolutions. Based on the reasons as stated above, the Directors (other than (i) in respect of the PIL Master Shipping and Terminal Services Agreement, Mr. Teo Siong Seng who has abstained from voting on the relevant Board resolution; and (ii) in respect of the Revision of Annual Caps of the Deposit Services, the COSCO SHIPPING Master Agreements and the Financial Services Agreement, Mr. Wan Min, Mr. Huang Xiaowen, and Mr. Yang Zhijian who have abstained from voting on the relevant Board resolutions) are of the view that the Revision of Annual Caps of the Deposit Services and the transactions contemplated under the Master Agreements have been and will be entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and that the terms of the Revision of Annual Caps of the Deposit Services and the Master Agreements and the respective proposed annual caps thereunder for each of the three years ending 31 December 2025 are fair and reasonable and in the interests of the Shareholders as a whole.

VIII. 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 Revision of Annual Caps of the Deposit Services, and (ii) the terms of Non-exempt Continuing Connected Transactions and their respective proposed annual caps for each of the three years ending 31 December 2025 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.

IX. EGM AND CIRCULAR

Notice of the EGM will be despatched to the Shareholders in due course.

A circular containing, among other things, (i) further details of the Revision of Annual Caps of the Deposit Services, and the Non-exempt Continuing Connected Transactions and the respective proposed annual caps for the three years ending 31 December 2025; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the Revision of Annual Caps of the Deposit Services, and the Non-exempt Continuing Connected Transactions; (iii) the advice from Gram Capital in respect of the Revision of Annual Caps of the Deposit Services, and the Non-exempt Continuing Connected Transactions; and (iv) other information as required under the Hong Kong Listing Rules, is expected to be despatched to the Shareholders on or around 27 October 2022 as additional time is required to be prepare certain information in the circular.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

“2021 Revision of Annual Caps”	the revision of relevant annual caps for the continuing connected transactions under the Existing Financial Services Agreement, the Existing Master Shipping Services Agreement and the Existing Master Port Services Agreement in 2021, the details of which are set out in the announcement of the Company dated 30 August 2021 and the circular of the Company dated 24 September 2021
“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
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“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 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 Master Agreements”	collectively, the Master Shipping Services Agreement, the Master Vessel and Container Asset Services Agreement, the Master Port Services Agreement, the Master General Services Agreement, and the Trademark Licence Agreement

“COSCO SHIPPING Ports”	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) and a non-wholly owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to, amongst other things, consider and if thought fit, approve the Non-Exempt Continuing Connected Transactions
“Existing Agreements”	collectively, the Existing COSCO SHIPPING Master Agreements, the Existing PIL Master Shipping and Terminal Services Agreement, and the Existing SIPG Shipping and Terminal Services Agreement
“Existing COSCO SHIPPING Master Agreements”	collectively, the Existing Financial Services Agreement, the Existing Master General Services Agreement, the Existing Master Shipping Services Agreement, the Existing Master Port Services Agreement, the Existing Master Vessel and Container Asset Services Agreement, and the Existing Trademark License Agreement
“Existing Financial Services Agreement”	the financial services agreement dated 30 October 2019 entered into between COSCO SHIPPING and the Company in relation to the provision of certain financial services by COSCO SHIPPING Finance to the Company and its subsidiaries and associates
“Existing Master General Services Agreement”	the master general services agreement dated 30 October 2019 entered into between the Company and COSCO SHIPPING in relation to the mutual provision of general services between the Group and the COSCO SHIPPING Group
“Existing Master Port Services Agreement”	the master port services agreement dated 30 October 2019 entered into between the Company and COSCO SHIPPING in relation to the mutual provision of port services between the COSCO SHIPPING Group and the Group
“Existing Master Shipping Services Agreement”	the master shipping services agreement dated 30 October 2019 entered into between the Company and COSCO SHIPPING in relation to the mutual provision of shipping services between the Group and the COSCO SHIPPING Group
“Existing Master Vessel and Container Asset Services Agreement”	the master vessel and container asset services agreement dated 30 October 2019 entered into between the Company and COSCO SHIPPING in relation to the leasing of vessels and containers and the services of manufacture of containers provided by the COSCO SHIPPING Group to the Group

“Existing PIL Master Shipping and Terminal Services Agreement”	the master shipping and terminal services agreement dated 30 October 2019 entered into between the Company and Pacific International Lines in relation to the mutual provision of shipping and terminal services between the Pacific International Lines Group and the Group
“Existing SIPG Shipping and Terminal Services Agreement”	the shipping and terminal services framework agreement dated 30 October 2019 entered into between the Company and SIPG in relation to the provision of shipping services by the Group to the SIPG Group and provision of terminal services by the SIPG Group to the Group
“Existing Trademark Licence Agreement”	the trademark licence agreement dated 30 October 2019 entered into between the Company and COSCO SHIPPING in relation to the grant of the non-exclusive right to the members of the Company and its subsidiaries to use certain trademarks of COSCO SHIPPING
“Financial Services Agreement”	the financial services agreement dated 30 August 2022 entered into between COSCO SHIPPING Finance and the Company in relation to the provision of certain financial services by COSCO SHIPPING Finance to the Company and its subsidiaries
“Group”	the Company and its subsidiaries and associates
“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 Revision of Annual Caps of the Deposit Services, and (ii) the terms of the Non-exempt Continuing Connected Transactions and their respective proposed annual caps for each of the three years ending 31 December 2025
“Independent Shareholders”	the Shareholders other than the COSCO SHIPPING Group and its associates

“Master Agreements”	collectively, the COSCO SHIPPING Master Agreements, the Financial Services Agreement, the PIL Master Shipping and Terminal Services Agreement, and the SIPG Shipping and Terminal Services Agreement
“Master General Services Agreement”	the master general services agreement dated 30 August 2022 entered into between the Company and COSCO SHIPPING in relation to the mutual provision of general services between the Group and the COSCO SHIPPING Group
“Master Port Services Agreement”	the master port services agreement dated 30 August 2022 entered into between the Company and COSCO SHIPPING in relation to the mutual provision of port services between the Group and the COSCO SHIPPING Group
“Master Shipping Services Agreement”	the master shipping services agreement dated 30 August 2022 entered into between the Company and COSCO SHIPPING in relation to the mutual provision of shipping services between the Group and the COSCO SHIPPING Group
“Master Vessel and Container Asset Services Agreement”	the master vessel and container asset services agreement dated 30 August 2022 entered into between the Company and COSCO SHIPPING in relation to the leasing of vessels and containers and the services of purchase and manufacture of containers to be provided by the COSCO SHIPPING Group to the Group
“Non-exempt Continuing Connected Transactions”	collectively, (i) the transactions contemplated under the Master Shipping Services Agreement, (ii) the transactions contemplated under Master Vessel and Container Asset Services Agreement, and (iii) the deposit services contemplated under the Financial Services Agreement
“Non-exempt Master Agreements”	collectively, (i) the Master Shipping Services Agreement, (ii) the Master Vessel and Container Asset Services Agreement, and (iii) the Financial Services Agreement
“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
“Pacific International Lines”	Pacific International Lines Pte Ltd, a limited liability company incorporated in Singapore

“Pacific International Lines Group”	Pacific International Lines and/or its subsidiaries and associates
“PBOC”	the People’s Bank of China, the central bank of the PRC
“PIL Master Shipping and Terminal Services Agreement”	the master shipping and terminal services agreement dated 30 August 2022 entered into between the Company and Pacific International Lines in relation to the mutual provision of shipping services and terminal services between the Group and the Pacific International Lines Group
“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
“Revision of Annual Caps of the Deposit Services”	the proposed revision of the annual caps for the continuing connected transactions of the deposit services under the Existing Financial Services Agreement for the year ending 31 December 2022
“RMB”	Reminbi yuan, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC (國務院國有資產監督管理委員會)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Listing Rules”	Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in January 2022)
“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 (Stock Code: 600018)
“SIPG Group”	SIPG and its subsidiaries or associates
“SIPG Shipping and Terminal Services Agreement”	the shipping and terminal services framework agreement dated 30 August 2022 entered into between the Company and SIPG in relation to the provision of shipping services by the Group to the SIPG Group and provision of terminal services by the SIPG Group to the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Trademark Licence Agreement”

the trademark licence agreement dated 30 August 2022 entered into between the Company and COSCO SHIPPING in relation to the grant of the non-exclusive right to the Company and its subsidiaries to use certain trademarks of COSCO SHIPPING

“%”

per cent

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

Shanghai, the People’s Republic of China

30 August 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*