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**中遠海運控股股份有限公司**  
**COSCO SHIPPING Holdings Co., Ltd.\***

(Formerly known as 中國遠洋控股股份有限公司China COSCO Holdings Company Limited\*)  
(a joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 1919)

**DISCLOSEABLE TRANSACTION IN RELATION TO**  
**(1) THE ACQUISITION OF SHARES IN**  
**QINGDAO PORT INTERNATIONAL CO., LTD. AND**  
**(2) THE DISPOSAL OF EQUITY IN**  
**QINGDAO QIANWAN CONTAINER TERMINAL CO., LTD.**

The Board is pleased to announce that on 20 January 2017, SCSTD (a wholly-owned subsidiary of COSCO SHIPPING Ports and therefore an indirect non-wholly owned subsidiary of the Company) and QPI entered into the Transaction Agreement pursuant to which SCSTD has conditionally agreed to subscribe for 1,015,520,000 non-circulating domestic shares in QPI at a total consideration of RMB5,798,619,200 (equivalent to RMB5.71 per share), of which RMB3,198,650,840 will be settled by the transfer of 20% equity interest in QQCT to QPI and the remaining RMB2,599,968,360 will be settled in cash. QQCT is currently owned as to 49%, 31% and 20% by PTS Holdings Limited, QPI and SCSTD respectively.

QPI has informed COSCO SHIPPING Ports that it currently intends to seek approval of its shareholders for the conduct of a placing, pursuant to which not more than 243,000,000 new H shares are proposed to be issued, and such placing of H shares is expected to occur before the Subscription Shares are issued. Based on the issued share capital of QPI as at the date of the Transaction Agreement and assuming that there are no other changes to the issued share capital of QPI before completion of the Acquisition (other than the issue of such new H shares, assuming that it occurs at or before completion of the Acquisition), the Subscription Shares will represent approximately 16.82% of the issued share capital of QPI (as enlarged by the issue of the Subscription Shares and such new H shares), and the COSCO SHIPPING Ports Group's shareholding in QPI will increase from approximately 2.01% as at the date of the Transaction Agreement to approximately 18.41%. Under the Transaction Agreement, QPI warrants that, as at the Acquisition Completion Date, on the basis of completion of the Acquisition and the QPI H Share Placing, the Subscription Shares will represent not less than 16.82% of the then issued share capital of QPI (as enlarged by the issue of the Subscription Shares and such H shares).

The highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal and the Acquisition exceeds 5% and is lower than 25% respectively. Accordingly, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**The Transaction contemplated under the Transaction Agreement is subject to satisfaction or waiver of conditions precedent. There is no assurance that the Transaction will take place or as to when it may take place. Shareholders and potential investors in the Company should therefore exercise caution when dealing in the securities of the Company.**

## THE TRANSACTION AGREEMENT

### The Acquisition and the Disposal

The Board is pleased to announce that on 20 January 2017, SCSTD (a wholly-owned subsidiary of COSCO SHIPPING Ports and therefore an indirect non-wholly owned subsidiary of the Company) and QPI entered into the Transaction Agreement pursuant to which SCSTD has conditionally agreed to subscribe for 1,015,520,000 non-circulating domestic shares in QPI at a total consideration of RMB5,798,619,200 (equivalent to RMB5.71 per share), of which RMB3,198,650,840 will be settled by the transfer of 20% equity interest in QQCT to QPI and the remaining RMB2,599,968,360 will be settled in cash. QQCT is currently owned as to 49%, 31% and 20% by PTS Holdings Limited, QPI and SCSTD respectively.

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The consideration for the Disposal was determined through arm's length negotiations between the parties based on the valuation of QQCT as at 30 June 2016 (being RMB15,993,254,200) set out in the valuation report prepared in accordance with the requirements of applicable PRC laws by a qualified PRC valuer. The consideration for the Acquisition was determined through arm's length negotiations between the parties, taking into account, among other things, (1) the trading prices of the shares of other port companies listed on the Stock Exchange; and (2) the current operations and business prospects of QPI.

### **Conditions precedent to the Transaction Agreement taking effect**

The Transaction Agreement takes effect upon satisfaction of the following conditions precedent:

- (a) the Transaction Agreement having been signed by the legal representative or authorised representative of each party and with the company seal of each party affixed;
- (b) the Acquisition, the Disposal and the QPI H Share Placing having been approved at the board of directors' meeting, shareholders' meeting and shareholders' class meeting of QPI (if applicable);
- (c) the appropriate internal decision-making procedure for the Acquisition and the Disposal having been completed by SCSTD in accordance with its articles of association, and the Acquisition and the Disposal having been approved at all the board of directors' meeting, shareholders' meeting and/or shareholders' class meeting of each SCSTD Controller (if applicable);

- (d) the Acquisition, the Disposal and the QPI H Share Placing having been approved or agreed to by competent State-owned assets regulatory authorities;
- (e) the Ministry of Commerce of the PRC having approved the Notification of Concentrations of Business Operators in respect of the Disposal;
- (f) the parties and SCSTD Controllers having each obtained or made all necessary consents, approvals and filings of or with any relevant government or regulatory authority in the PRC, Hong Kong or elsewhere (if applicable) in relation to the entering into and performance of the Transaction Agreement; and
- (g) all applicable approvals, confirmations and formalities in relation to the Acquisition, the Disposal and the QPI H Share Placing having been obtained or completed by the parties from or with relevant governing departments and organisations (including but not limited to the governing department of the Ministry of Commerce, securities regulatory authorities, foreign exchange regulatory authorities and SCSTD's banks).

#### **Conditions precedent to implementation of the Transaction**

After the Effective Date, the parties shall jointly procure the fulfilment of the following conditions precedent to implementation:

- (a) the valuation report in relation to the Disposal having been filed;
- (b) the transfer of the QQCT Equity in relation to the Disposal having been validly approved by the effective resolutions passed by all the directors of QQCT; PTS Holdings Limited having issued a written declaration agreeing to the transfer of the QQCT Equity and waiver of pre-emptive right in relation to the Disposal;
- (c) in order to reflect the transfer of the QQCT Equity in relation to the Disposal, the joint venture agreement and articles of association of QQCT having been formally amended by the shareholders (which amendments shall include replacement of SCSTD's right to appoint two directors on the board of directors of QQCT with QPI's right) and such amendments to the joint venture agreement and the articles of association, or the new joint venture agreement and articles of association, having been validly approved by resolutions passed by all the directors of QQCT; and
- (d) there being no unremedied material breach, except where the non-defaulting party agrees to implement the Disposal notwithstanding thereof.

## **Termination of the Transaction Agreement**

The Transaction Agreement will terminate upon occurrence of any of the following circumstances:

- (a) if, before the Acquisition Completion Date, both parties agree in writing to terminate the Transaction Agreement;
- (b) if the conditions precedent to the implementation of the Transaction described above have not all been fulfilled on 30 June 2017 (or such later date as may be agreed in writing by both parties), or agreed in writing by both parties to be waived, either party may terminate the Transaction Agreement at any time after the expiry of such deadline by giving a written notice to the other party, provided that if any such condition is not fulfilled by the deadline referred to above due to a breach by a party of its obligations under the Transaction Agreement, then the Transaction Agreement will not limit the right of the other party to claim damages in that respect;
- (c) if the QPI H Share Placing cannot be completed, the parties may terminate the Transaction Agreement by agreement in writing;
- (d) if there is a material breach of the Transaction Agreement by a party and 30 days have elapsed since a written notice of such default has been given by the non-defaulting party, and such breach results in failure of the performance of the Transaction Agreement or completion of the Acquisition and the Disposal pursuant to the terms of the Transaction Agreement, the non-defaulting party may terminate the Transaction Agreement at any time by notice in writing to the defaulting party;
- (e) if, before the Acquisition Completion Date, the occurrence of force majeure results in the Acquisition and/or the Disposal not being able to be implemented;  
or
- (f) if, by 30 June 2017 (or such later date as may be agreed in writing by both parties), the Subscription Shares have not been registered in the name of SCSTD through the securities registration and settlement agency, or QPI has not completed the formalities for the change of business registration in relation to the Acquisition, then either party may terminate the Transaction Agreement by giving a notice in writing to the other party at any time.

If the Transaction Agreement does not become effective or if it is terminated in the circumstances referred to above, QPI will be required to repay any amount paid by SCSTD within three business days and return to SCSTD any equity interest in QQCT or other interest already transferred by SCSTD to QPI within 30 business days.

## **Completion of the Disposal**

Upon fulfilment of the conditions precedent to the Transaction Agreement taking effect and the implementation of the Transaction, both parties will procure the completion of the Disposal as soon as possible, including, among other actions, the following:

- (a) The parties shall, as soon as possible after the Effective Date, sign all documents required for the transfer of the QQCT Equity pursuant to the constitutional documents of QQCT and relevant PRC laws and regulations.
- (b) The parties shall then procure QQCT to apply to make filing with the governing department of the Ministry of Commerce in relation to the Disposal and complete the formalities of filing as soon as possible. The parties shall also procure QQCT to complete the registration of the QQCT Equity in the name of QPI with relevant industry and commerce administration authorities on the Disposal Completion Date.

## **Completion of the Acquisition**

After receipt of the Notice of Payment from QPI, SCSTD shall pay the cash subscription price for the Subscription Shares to the capital verification account designated by QPI no later than two business days before the date of submission of the documents for registration of the Subscription Shares with the securities registration and settlement agency. If SCSTD objects to the Notice of Payment within two business days after receipt, the parties shall renegotiate the date of submission of such documents.

Within 60 days (or such later date as may be agreed by the parties) after the Effective Date and following completion of the QPI H Share Placing, QPI shall ensure that the following procedures are completed:

- (a) the capital verification procedures for the Acquisition;
- (b) registration of the change of registered capital with relevant industry and commerce administration authorities; and
- (c) registration of the Subscription Shares in the name of SCSTD with the securities registration and settlement agency.

Transfer and circulation of the Subscription Shares will need to comply with relevant laws and regulations and requirements of securities regulatory authorities.

QPI has agreed to:

- (a) procure its controlling shareholder (and parties acting in concert with it) to vote in favour of the appointment of a person nominated by SCSTD as a director of QPI (i) at the first shareholders' meeting held after the Acquisition Completion Date; and (ii) (so long as SCSTD is a 10% or more shareholder of QPI) at subsequent elections of directors of QPI; and
- (b) hold a board meeting after the Acquisition Completion Date to appoint an assistant to the President nominated by SCSTD.

If QPI is not able to issue the Subscription Shares to SCSTD, QPI shall refund any subscription money paid by SCSTD and return any equity interest in QQCT transferred by SCSTD to QPI for the purpose of the Acquisition.

### **Financial effects of the Disposal on the Group**

The Group expects to record an unaudited gain of approximately RMB1,771,000,000 from the Disposal, resulting in an increase in net profit attributable to the equity holders of the Company of approximately RMB827,000,000. The estimated gain on the Disposal is calculated with reference to the consideration for the Disposal and the book value of the Group's equity investment in QQCT and the exchange rate of RMB to US\$, each as at 30 June 2016. The actual gain or loss that the Group is able to realise will depend on the actual book value of the Group's equity investment in QQCT (calculated in accordance with applicable accounting standards) and the exchange rate of RMB to US\$ on the date of completion of the Disposal.

### **Proceeds from the Disposal**

As described above, part of the consideration for subscription for the Subscription Shares by SCSTD will be settled by the Disposal and there will be no cash proceeds from the Disposal.

COSCO SHIPPING Ports will not distribute special dividends on the Disposal, mainly due to the following reasons:

- (a) the Disposal is not a standalone sale of assets by COSCO SHIPPING Ports, but rather COSCO SHIPPING Ports is exchanging the QQCT Equity for shares in QPI; and
- (b) as a result COSCO SHIPPING Ports will not be receiving any cash payment from QPI for the Disposal.

## **THE STRATEGIC CO-OPERATION AGREEMENT**

On the same date as the Transaction Agreement, COSCO SHIPPING Ports entered into the Strategic Co-operation Agreement with QPI, pursuant to which, among other things, on the basis of successful completion of the Acquisition and the Disposal:

- (a) QPI agreed to procure its controlling shareholder to undertake to COSCO SHIPPING Ports in respect of the appointment of a person nominated by COSCO SHIPPING Ports through SCSTD as a director of QPI in the manner referred to in the Transaction Agreement as described above;
- (b) QPI agreed to hold a board meeting after the Acquisition Completion Date to appoint an assistant to the President nominated by COSCO SHIPPING Ports through SCSTD; and
- (c) the parties expressed the intent of the following strategic co-operation (among others) in the future:
  - (i) further deepening their co-operation towards developing the Port of Qingdao into an international shipping hub in Northeast Asia;
  - (ii) co-investing in overseas terminal projects, (including but not limited to the Khalifa Port Container Terminal II project in Abu Dhabi, the United Arab Emirates); and
  - (iii) setting up terminal project management company(ies) to co-operate in the businesses of management and operation of PRC and overseas terminal project(s) of COSCO SHIPPING Ports agreed by the parties.

COSCO SHIPPING Ports is obliged to ensure that SCSTD has full capacity and ability to exercise its rights and perform its obligations under the Transaction Agreement, including through capital injection into SCSTD.

## **INFORMATION ON QPI**

QPI is a primary operator of the Port of Qingdao, one of the world's largest comprehensive ports. QPI provides wide range of port-related services, ranging from basic port services, such as stevedoring and storage services, to ancillary and extended services such as logistics services and financing-related services. QPI's H shares are listed on the Stock Exchange. According to the announcement of QPI dated 25 November 2016, the QPI group was considering and exploring the possibility of issuance of ordinary shares of QPI to be traded in RMB on the Shanghai Stock Exchange or Shenzhen Stock Exchange, and in light of that, a registration application for pre-listing tutoring regarding such proposed A share offering had been accepted by the Qingdao branch office of the China Securities Regulatory Commission.



As at the date of the Transaction Agreement, COSCO SHIPPING Ports held (through a wholly-owned subsidiary) 96,000,000 non-circulating domestic shares in QPI (representing approximately 2.01% of the issued share capital of QPI) and China COSCO Shipping Corporation Limited, the ultimate controlling shareholder of the Company, held (through a wholly-owned subsidiary) 96,000,000 non-circulating domestic shares in QPI (representing approximately 2.01% of the issued share capital of QPI). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, QPI and its ultimate beneficial owner are third parties independent of the Company and its connected persons under the Listing Rules.

Set out below is certain audited consolidated financial information of QPI and its subsidiaries (prepared in accordance with IFRS) for the two financial years ended 31 December 2014 and 31 December 2015 and as at 31 December 2015.

	<b>For the year ended 31 December 2014</b>	<b>For the year ended 31 December 2015</b>
	<i>RMB '000</i> <i>(Restated)</i>	<i>RMB '000</i>
<b>Profit before taxation</b>	2,016,347	2,443,067
<b>Profit after taxation</b>	1,620,845	1,972,008
		<b>As at 31 December 2015</b>
		<i>RMB '000</i>
<b>Net assets</b>		13,331,522

## **INFORMATION ON QQCT**

QQCT is principally engaged in the business of the development and operation of a container terminal in Qingdao city, the PRC.

Set out below is certain audited consolidated financial information of QQCT and its subsidiaries (prepared in accordance with PRC GAAP) for the two financial years ended 31 December 2014 and 31 December 2015 and the six months ended 30 June 2016 and as at 30 June 2016.

	<b>For the year ended 31 December 2014</b>	<b>For the year ended 31 December 2015</b>	<b>For the six months ended 30 June 2016</b>
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
<b>Profit before taxation</b>	1,605,933	1,756,483	1,088,747
<b>Profit after taxation</b>	1,201,243	1,313,993	829,860
			<b>As at 30 June 2016</b>
			<i>RMB '000</i>
<b>Net assets</b>			5,986,488

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

### **Overview**

Increasing the investment in QPI is a meaningful step in realising COSCO SHIPPING Ports' strategy of sharpening its competitive edge and creating greater value. The increased investment in, and the subsequent strategic co-operation with, a major port in China will also strengthen COSCO SHIPPING Ports' leading position in the Greater China region, which is in line with COSCO SHIPPING Ports' strategy of enhancing control over terminal assets. Holding more shares in QPI, compared with directly investing in a company which operates a single container terminal in the Port of Qingdao, could increase COSCO SHIPPING Ports' influence in the Port of Qingdao and allow COSCO SHIPPING Ports to participate in the management of the whole port.

Additionally, the investment will also enhance COSCO SHIPPING Ports' competitiveness by optimising its investment portfolio and concentrating on high quality assets, which should result in an increase in the overall profitability of the terminals business of COSCO SHIPPING Ports.

### **Lock in high-quality port resources of QPI**

QPI is the primary operator of the Port of Qingdao, one of the world's largest comprehensive ports. Occupying a central position among the ports in Northeast Asia, the Port of Qingdao is an important hub for international trade in the West Pacific and has shipping routes connecting more than 700 ports in over 180 countries and regions around the world. The Port of Qingdao ranked sixth in terms of cargo throughput, and fourth in terms of container throughput among all ports in the PRC in 2015, according to the Ministry of Transport of the PRC.

The Port of Qingdao is located within the core area of the Bohai Economic Rim. Its primary hinterland includes Shandong, Jiangsu, Hebei, Shanxi and Henan provinces, and its extended hinterland includes Shaanxi and Gansu provinces and Ningxia and Xinjiang autonomous regions. According to the data from the National Bureau of Statistics of the PRC, in 2015, nominal gross domestic products (GDP) contribution of the primary hinterland of the Port of Qingdao accounted for 31.43% of the PRC's nominal GDP, with a compound annual growth rate (CAGR) of 13.16% over the previous 10 years. Driven by the sound development of the hinterland economy and through the effective operation of the Port of Qingdao, QPI's consolidated revenue increased by 6.68% and consolidated pre-tax profit increased by 21.16% in 2015 compared to the prior year according to the annual report of QPI.

### **Enjoy the development and sustainable growth of the entire port area**

Upon completion of the Acquisition and the Disposal, COSCO SHIPPING Ports will have an increased direct stake in QPI rather than investing only in a company which operates a single container terminal in the Port of Qingdao.

The comprehensive port services and diverse cargo mix of the Port of Qingdao have enabled QPI to establish a broad customer base and respond resiliently to cyclical changes in the macro-economy, laying the foundation for the potential of sustainable growth in the future.

Therefore, through this investment, COSCO SHIPPING Ports could more fully enjoy the future development and sustainable growth of the entire port area.

### **Seize the opportunities from the “One Belt, One Road” initiatives to enhance enterprise value and competitiveness.**

With the progressive implementation of the PRC national development strategy of “One Belt, One Road”, the strategic value of large-scale domestic ports in the PRC is rising in prominence. Under the national planning of “One Belt, One Road”, Qingdao is positioned as a main node of the “New Eurasian Continental Bridge Economic Corridor” and a fulcrum city of co-operation for the “21st Century Maritime Silk Road”, and occupies a central position among the ports in Northeast Asia.

The locking in of QPI's advantageous strategic resources, which are conducive to the building of the route network and further opening up of the sea trade channel, enables COSCO SHIPPING Ports to better clutch the opportunities provided by the “One Belt, One Road” strategy and strengthen COSCO SHIPPING Ports' leading position

in the Greater China region. Besides, COSCO SHIPPING Ports will continue to leverage on the synergy between its terminal assets and the shipping business of its parent company to capture the strategic opportunities arising from the Silk Road Economic Belt and the 21st Century Maritime Silk Road.

Taking into account the above factors and the view of the directors of COSCO SHIPPING Ports, the Board believes that the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP, THE COSCO SHIPPING PORTS GROUP AND SCSTD**

The Group provides a wide range of container shipping and terminal services covering the whole shipping value chain for both international and domestic customers.

The COSCO SHIPPING Ports Group is principally engaged in the businesses of managing and operating terminals, and related businesses. SCSTD is a wholly-owned subsidiary of COSCO SHIPPING Ports and is principally engaged in ports investment.

## **IMPLICATIONS UNDER THE LISTING RULES**

The highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal and the Acquisition exceeds 5% and is lower than 25% respectively. Accordingly, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Acquisition”	the subscription for the Subscription Shares by SCSTD pursuant to the Transaction Agreement
“Acquisition Completion Date”	the date on which the Subscription Shares have been registered in the name of SCSTD through the securities registration and settlement agency, and QPI has completed the formalities for the change of business registration in relation to the Acquisition
“Board”	the board of Directors

“business day(s)”	any weekday (other than a Saturday, Sunday or a public holiday) on which banks generally are open for business in Hong Kong and the PRC
“Company”	COSCO SHIPPING Holdings Co., Ltd.* (中遠海運控股股份有限公司), formerly known as China COSCO Holdings Company Limited* (中國遠洋控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1919) and the A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601919)
“COSCO SHIPPING Ports”	COSCO SHIPPING Ports Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1199) and a non-wholly owned subsidiary of the Company
“COSCO SHIPPING Ports Group”	COSCO SHIPPING Ports and its subsidiaries
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the QQCT Equity by SCSTD to QPI pursuant to the Transaction Agreement
“Disposal Completion Date”	the date on which SCSTD has transferred the QQCT Equity to QPI and the change of business registration and formalities of filing with the governing department of the Ministry of Commerce in relation to the Disposal have been completed
“Effective Date”	the date on which SCSTD receives a written notice from QPI confirming that all the conditions precedent to the Transaction Agreement taking effect have been fulfilled
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Notice of Payment”	a written notice issued by QPI to SCSTD 10 business days before submission of the application documents for registration of the Subscription Shares with the securities and settlement agency, setting out the specific date on which the submission is to be made and confirming the readiness for the relevant formalities and the fulfilment of the conditions precedent to the Transaction Agreement taking effect and the implementation of the Transaction
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC GAAP”	generally accepted accounting principles of the PRC
“QPI”	Qingdao Port International Co., Ltd.* (青島港國際股份有限公司), a joint stock company established in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6198)
“QPI H Share Placing”	a placing of new H shares proposed to be conducted by QPI in connection with the Acquisition
“QQCT”	Qingdao Qianwan Container Terminal Co., Ltd.* (青島前灣集裝箱碼頭有限責任公司), a company incorporated in the PRC with limited liability
“QQCT Equity”	the entire 20% equity interest in QQCT held by SCSTD
“RMB”	Renminbi, the lawful currency of the PRC
“SCSTD”	Shanghai China Shipping Terminal Development Co., Ltd.* (上海中海碼頭發展有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING Ports
“SCSTD Controller”	the Company or COSCO SHIPPING Ports, and “SCSTD Controllers” means both of them
“Shareholder”	a shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Strategic Co-operation Agreement”	the strategic co-operation agreement dated 20 January 2017 between QPI and COSCO SHIPPING Ports
“Subscription Shares”	1,015,520,000 non-circulating domestic shares in QPI to be issued by QPI to SCSTD pursuant to the Transaction Agreement, which will rank pari passu with the domestic shares in QPI in issue before completion of the Acquisition in all respects
“Transaction”	the Acquisition and the Disposal, together with the entering into and implementation of the Strategic Co-operation Agreement
“Transaction Agreement”	the agreement dated 20 January 2017 between QPI and SCSTD in relation to the Acquisition and the Disposal
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By Order of the Board  
**COSCO SHIPPING Holdings Co., Ltd.**  
**Guo Huawei**  
*Company Secretary*

Shanghai, the People’s Republic of China  
20 January 2017

*As at the date of this announcement, the directors of the Company are Mr. WAN Min<sup>2</sup> (Chairman), Mr. HUANG Xiaowen<sup>1</sup> (Vice Chairman), Mr. Xu Zunwu<sup>1</sup>, Mr. Ma Jianhua<sup>2</sup>, Mr. Wang Haimin<sup>1</sup>, Mr. Zhang Wei (張為)<sup>1</sup>, Mr. Feng Boming<sup>2</sup>, Mr. Zhang Wei (張煒)<sup>2</sup>, Mr. Chen Dong<sup>2</sup>, Dr. FAN HSU Lai Tai, Rita<sup>3</sup>, Mr. KWONG Che Keung, Gordon<sup>3</sup>, Mr. Peter Guy BOWIE<sup>3</sup> and Mr. YANG, Liang Yee Philip<sup>3</sup>.*

<sup>1</sup> *Executive Director*

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

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

\* *For identification purpose only*