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COSCO SHIPPING ENERGY TRANSPORTATION CO., LTD.*

中遠海運能源運輸股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1138)

**OVERSEAS REGULATORY ANNOUNCEMENT
ANNOUNCEMENT ON UNDERTAKINGS RELATING TO THE
PROPOSED NON-PUBLIC ISSUANCE OF A SHARES**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

References are made to (a) the announcement of COSCO SHIPPING Energy Transportation Co., Ltd. (the “**Company**”) dated 31 October 2017; (b) the circular dated 4 December 2017 (“**Circular**”); (c) the announcement dated 15 December 2017; (d) the announcement dated 18 December 2017; (e) the announcement dated 27 December 2017; and (f) the announcement dated 6 February 2018 issued by the Company in relation to, among other things, the Proposed Non-public Issuance of A Shares, the Subscription Agreement, the Whitewash Waiver and the Special Deal.

Unless otherwise defined, capitalized terms used herein have the same meanings as ascribed to them in the Circular.

On 6 February 2018, the Company received the “Notice Regarding the China Securities Regulatory Commission’s First Feedback on the Review of Administrative Permission Items” (No. 172605) (《中國證監會行政許可項目審查一次反饋意見通知書》(172605號)) (the “**Feedback**”) issued by the CSRC dated 5 February 2018 in relation to the Proposed Non-public Issuance of A Shares.

Non-disposal Undertaking

In respect of the Feedback relating to whether there exists any shareholding reduction situation or plan during the period commencing from the six months immediately before the Price Determination Date to the end of the sixth month period immediately after the completion of the Proposed Non-public Issuance of A Shares, China COSCO Shipping Corporation Limited* (中國遠洋海運集團有限公司) (“**COSCO Shipping**”), one of the subscribers of the Proposed Non-public Issuance of A Shares, issued an undertaking letter (the “**Non-Disposal Undertaking**”) to the Company, the contents of which are summarised as follows:

1. during the period commencing from the six months immediately before the date when the Board considered the Proposed Non-public Issuance of A Shares (i.e. 30 October 2017) to the date of the Non-Disposal Undertaking, COSCO Shipping and its concert parties did not reduce the number of the Shares they held;
2. COSCO Shipping undertakes that it and its concert parties have no plan to reduce the number of the Shares they held during the period commencing from the date of the Non-Disposal Undertaking to the end of the sixth month period immediately after the completion of the Proposed Non-public Issuance of A Shares (the “**Undertaking Period**”) (including Shares acquired during the Undertaking Period from equity distribution such as bonus issue, conversion of capital reserve into share capital, etc.);
3. none of COSCO Shipping nor parties acting in concert with it violated Rule 47 of the PRC Securities Law (《中華人民共和國證券法》) or No. 7 under Rule 39 of Administration Measures for Securities Issuance of Listed Companies (《上市公司證券發行管理辦法》); and
4. if COSCO Shipping and any party acting in concert with it fail to comply with the undertaking above mentioned, all revenue obtained by COSCO Shipping and parties acting in concert with it arising from reduction in shareholdings shall belong to the Company, and COSCO Shipping and parties acting in concert with it shall bear all legal responsibilities under relevant laws.

Financial Undertaking

As China Shipping Finance Co., Ltd. (中海集團財務有限責任公司) (“**CS Finance**”) and COSCO Finance Co., Ltd. (中遠財務有限責任公司) (“**COSCO Finance**”, together with CS Finance, the “**Finance Companies**”), all being the subsidiaries of COSCO Shipping, continue to provide deposit, loan and other financial services to the Company, COSCO Shipping issued an undertaking letter in respect of the safety of the capital of the Company, the contents of which are summarised as follows:

1. the Finance Companies are finance companies established with the approval of the China Banking Regulatory Commission (中國銀行業監督管理委員會) (the “**CBRC**”) pursuant to the Measures for the Administration of Finance Companies of Enterprise Groups (《企業集團財務公司管理辦法》) and other relevant regulations, and are licensed to (with the PRC financial licence (中華人民共和國金融許可證)) provide relevant financial services. The Finance Companies have established adequate internal control, financial accounting and other policies, and all their business activities are conducted in accordance with the relevant laws and regulations. The capital of the Company is safely deposited in the Finance Companies. The Finance Companies will continue to conduct their business in accordance with the relevant laws and regulations;
2. as the Company is independent from COSCO Shipping on the asset, business, staff, finance, corporate structure and other aspects, COSCO Shipping will continue to ensure the independence of the Company and respect the autonomy in the operation of the Company, such that the Company will independently decide (with reference to its actual needs) the financial services it requires from the Finance Companies subject to the compliance of the relevant regulations of the CBRC and after conducting the internal procedures as required under the articles of association of the Company (the “**Articles**”) and relevant laws and regulations;
3. COSCO Shipping and all enterprises legally or beneficially controlled by COSCO Shipping (the “**Controlled Enterprises**”) guarantee that (a) they will not utilise the capital of the Company through the Finance Companies or by other means and will ensure the safety of the capital of the Company in the Finance Companies; (b) the Finance Companies will provide deposit, loan and other financial services to the Company in accordance with all laws and regulations and will ensure the financial services provided by the Company to the Finance Companies comply with the relevant laws and regulations;

4. if CS Finance or COSCO Finance is insolvent or conducts any illegal or non-compliance activities, or if COSCO Shipping and the Controlled Enterprises illegally utilise the capital of the Company which leads to losses suffered by the Company, COSCO Shipping and the Controlled Enterprises shall compensate the Company by cash; and
5. COSCO Shipping guarantees that (a) it will strictly follow all regulations of the CSRC and the Shanghai Stock Exchange and the Articles and other management policies of the Company; (b) it will exercise its shareholder's rights and fulfil its shareholder's obligations; (c) it will not seek improper benefits by means of its position as controlling shareholder; and (d) it will not undermine the legal interests of the Company and other shareholders.

Shareholders and potential investors should be aware of and take note that the Proposed Non-public Issuance of A Shares are still subject to the obtaining of the approval from the CSRC, and it may or may not proceed to completion. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company, and consult their professional advisers if they are in any doubt about any aspect of the Circular or as to the action to be taken.

By order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
Yao Qiaohong
Company Secretary

Shanghai, the People's Republic of China
5 March 2018

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Huang Xiaowen, Mr. Liu Hanbo and Mr. Lu Junshan as executive Directors, Mr. Feng Boming, Mr. Zhang Wei and Ms. Lin Honghua as non-executive Directors, Mr. Ruan Yongping, Mr. Ip Sing Chi, Mr. Rui Meng and Mr. Teo Siong Seng as independent non-executive Directors.

All the Directors jointly and severally accept full responsibility for the accuracy of the information in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any of the statements in this announcement misleading.

** For identification purposes only*