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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)**

**PROPOSED PROVISION OF GUARANTEES**

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It is proposed that the Group shall provide the Guarantees in favour of its subsidiaries and the JV Companies which shall be executed under the Relevant Authorization. The Guarantees are expected to be executed during the period from 1 July 2018 to 30 June 2019.

Pursuant to applicable PRC rules and regulations, the entering into of the Guarantees and the Relevant Authorization are subject to prior approval by Shareholders in a general meeting of the Company. It is proposed that these are approved at the upcoming AGM and a circular containing the details of the proposed provision of the Guarantees and the Relevant Authorization together with a notice convening the AGM will be dispatched to the Shareholders in due course.

Subject to the Guarantees and the Relevant Authorization being approved by the Shareholders, the Company shall enter into the Guarantees during the above period. The Company will make announcement(s) as and when appropriate in compliance with the Listing Rules and other relevant laws and regulations.

\* *for identification purpose only*

## **PROPOSED PROVISION OF GUARANTEES**

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### **1. Information on the Entities to be Guaranteed**

CSDHK is a direct wholly-owned subsidiary of the Company. It is principally engaged in international shipping business and responsible for the Company's asset management business in Hong Kong.

CSET SG is a direct wholly-owned subsidiary of the Company. It is principally engaged in shipping business.

Pan Cosmos is an indirect wholly-owned subsidiary of the Company. It is principally engaged in operating and management of ships.

Each of the JV Companies is expected to be owned as to 50% by the Group and is principally engaged in investing in LNG carriers for YAMAL project.

### **2. Reasons and Benefits for Providing the Guarantees**

The Board is of the view that the provision of the Guarantees will lower the Group's financing costs and optimize the utilization of its financial resources and as such is in the interests of the Company and the Shareholders as a whole.

### **3. Shareholders' Approval**

Pursuant to applicable PRC rules and regulations, the entering into of the Guarantees and the Relevant Authorization are subject to prior approval by Shareholders in a general meeting of the Company. It is proposed that these are approved at the upcoming AGM and a circular containing the details of the proposed provision of the Guarantees and the Relevant Authorization together with a notice convening the AGM will be dispatched to the Shareholders in due course.

Subject to the Guarantees and the Relevant Authorization being approved by the Shareholders, the Company shall enter into the Guarantees during the above period. The Company will make announcement(s) as and when appropriate in compliance with the Listing Rules and other relevant laws and regulations.

#### 4. The Accumulated Amount of Guarantees and the Amount of Overdue Guarantees of the Company

As at the date of this announcement, the accumulated amount of external guarantees outstanding and provided by the Company and its majority owned subsidiaries (not including the Guarantees) was approximately USD1019 million and RMB 598 million (equivalent to approximately RMB6.995 billion in the aggregate), representing approximately 25.06% of the Group's net assets as set out in the Group's annual results announcement dated 28 March 2018; and the accumulated amount of guarantees outstanding and provided by the Company for its majority owned subsidiaries was approximately USD883 million (equivalent to approximately RMB5.543 billion), representing approximately 19.85% of the Group's net assets as set out in the Group's annual results announcement dated 28 March 2018. There are no overdue guarantees as at the date of this announcement.

#### DEFINITIONS

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

|            |   |
|------------|---|
| “AGM”      | the annual general meeting of the Company to be convened to approve, among other things, the proposed provision of the Guarantees and the Relevant Authorization                                      |
| “Board”    | the board of directors of the Company   |
| “Company”  | 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 PRC with limited liability, the H Shares of which are listed on the Stock Exchange |
| “CSDHK”    | China Shipping Development (Hong Kong) Marine Co., Limited (中海發展(香港)航運有限公司), a direct wholly-owned subsidiary of the Company  |
| “CSET SG”  | COSCO SHIPPING Tanker (Singapore) PTE. LTD. (中遠海運油品運輸(新加坡)有限公司), a direct wholly-owned subsidiary of the Company  |
| “Director” | director of the Company   |
| “Group”    | the Company and its subsidiaries  |

“Guarantees”

the proposed (i) guarantee for CSDHK provided by the Company in an amount not exceeding USD1 billion (or its equivalent in other currencies) to guarantee the possible financing obligations of CSDHK; (ii) financing guarantee for CSET SG provided by the Company in an amount not exceeding USD200 million (or its equivalent in other currencies) to guarantee the possible financing obligations of CSET SG; (iii) financing guarantee for Pan Cosmos provided by the Company in an amount not exceeding USD500 million (or its equivalent in other currencies) to guarantee the possible financing obligations of Pan Cosmos; and (iv) financing guarantee for the JV Companies (following completion of the Group’s acquisition of indirect equity interest in them) provided by the Company on a pro rata basis in proportion to its shareholding interests in the JV Companies in an aggregate amount not exceeding EUR404.5 million (or its equivalent in other currencies) to guarantee the possible financing obligations of the JV Companies and their performance obligations under time charterparties. The Company will not provide any guarantee in favour of the JV Companies if the acquisition of equity interests in them does not complete.

“JV Companies”

Arctic Red LNG Shipping Limited, Arctic Orange LNG Shipping Limited, Arctic Yellow LNG Shipping Limited and Arctic Indigo LNG Shipping Limited, each of which is a single vessel company where the Company has agreed with its existing shareholder(s) to acquire 50% equity interest thereof, and that the Company is expected to hold an indirect equity interest of 50% in each of them upon approval of such acquisition by the relevant governmental authorities and completion of the acquisition

“Listing Rules”

the Rules Governing the Listing of Securities on the Stock Exchange

|                          |  |
|--------------------------|--|
| “Pan Cosmos”             | Pan Cosmos Shipping & Enterprises Co. Limited (寰宇船務企業有限公司), an indirect wholly-owned subsidiary of the Company   |
| “PRC”                    | People’s Republic of China   |
| “Relevant Authorization” | the proposed authorization for the chairman of the Board or the general manager to execute the Guarantees, details of which are set out in this announcement |
| “RMB”                    | Renminbi, the lawful currency of the PRC   |
| “Shareholder(s)”         | holders of share(s) of the Company   |
| “Stock Exchange”         | The Stock Exchange of Hong Kong Limited  |
| “USD”                    | the lawful currency of the United States of America  |

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

Shanghai, the PRC  
28 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.*