

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the 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 People's Republic of China with limited liability)

(Stock Code: 1138)

- (1) PROPOSED NON-PUBLIC ISSUANCE OF A SHARES**
(2) CONNECTED TRANSACTION - PROPOSED SUBSCRIPTION OF
A SHARES BY COSCO SHIPPING
(3) PROPOSED ADOPTION OF SHAREHOLDERS' RETURN PLAN
(4) WHITEWASH WAIVER UNDER THE TAKEOVERS CODE
AND
(5) RESUMPTION OF TRADING IN A SHARES AND H SHARES

PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

The Board is pleased to announce that on 30 October 2017, the Board has approved the Proposed Non-public Issuance of A Shares, pursuant to which the Company will issue a maximum of 806,406,572 A Shares (subject to adjustment) to not more than 10 specific target subscribers, including COSCO Shipping, which would raise gross proceeds of RMB5.4 billion (subject to regulatory approval).

The issue price of the A Shares to be issued under the Proposed Non-public Issuance of A Shares shall not be lower than both (i) 90% of the Average Trading Price (being the average trading price of the A Shares during the 20 trading days immediately preceding the Price Determination Date) and (ii) the net asset value per Share as set out at the latest audited consolidated financial statement of the Company.

The maximum number of A Shares that may be issued under the Proposed Non-public Issuance of A Shares represents (i) approximately 29.5% of the existing issued A Shares and approximately 20.0% of the existing total issued share capital of the Company as at the date of this announcement; and (ii) approximately 22.8% of the enlarged issued A Shares and approximately 16.7% of the enlarged total issued share capital of the Company upon completion of the Proposed Non-public Issuance of A Shares.

The Company will issue the A Shares under the Specific Mandate to be sought from the Independent Shareholders at the EGM and the Class Meetings. The Company will apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares to be issued under the Proposed Non-public Issuance of A Shares. The A Shares to be issued under the Proposed Non-public Issuance of A Shares can be traded on the Shanghai Stock Exchange upon the expiration of the relevant lock-up period.

CONNECTED TRANSACTION — PROPOSED SUBSCRIPTION OF A SHARES BY COSCO SHIPPING

As part of the Proposed Non-public Issuance of A Shares, on 30 October 2017 (after trading hours), the Company and COSCO Shipping entered into the Subscription Agreement pursuant to which COSCO Shipping has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, such number of A Shares for an amount of not more than RMB4.2 billion under the Proposed Non-public Issuance of A Shares. COSCO Shipping will not participate in the price determination exercise for the Proposed Non-public Issuance of A Shares, but will accept results of market inquiry and subscribe for the A Shares at the same subscription price as other target subscribers.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, COSCO Shipping and its associates control or are entitled to exercise control over the voting rights in respect of 1,554,631,593 A Shares and no H Shares, representing approximately 38.56% of the total issued share capital of the Company. Accordingly, COSCO Shipping is a controlling shareholder of the Company and therefore a connected person of the Company. The Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

WHITEWASH WAIVER UNDER THE TAKEOVERS CODE

Upon completion of the Proposed Non-public Issuance of A Shares and assuming the issuance is conducted at the Benchmark Price, the COSCO Shipping Concert Group's holding of voting rights in respect of all the Shares is expected to increase from approximately 38.56% to approximately 45.00% on a fully diluted basis. As a result of such acquisition of voting rights in the Company, unless the Whitewash Waiver is granted, COSCO Shipping will incur an obligation to make a mandatory offer under Rule 26 of the Takeovers Code for all the Shares other than those already held or agreed to be acquired by the COSCO Shipping Concert Group. The grant of the Whitewash Waiver is a condition precedent to the Proposed Non-public Issuance of A Shares and the Subscription. If the Whitewash Waiver is not granted, the condition precedent on the Whitewash Waiver may be waived so that the Proposed Non-public Issuance of A Shares may still proceed, but the size of the Subscription (in terms of number of A Shares to be issued to COSCO Shipping as a proportion to all A Shares to be issued pursuant to the Proposed Non-public Issuance of A Shares) is expected to be reduced to the extent that COSCO Shipping would not incur any obligation to make a general offer under the Takeovers Code and other subscribers will be invited to subscribe for such portion instead.

An application will be made to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, is expected to be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. COSCO Shipping and parties acting in concert with it, and any other Shareholders who are involved or interested in the Proposed Non-public Issuance of A Shares, the Subscription and the Whitewash Waiver are required to abstain from voting at the EGM in respect of the resolution approving the Whitewash Waiver.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISERS

The Independent Board Committee (comprising all the independent non-executive Directors and not including any non-executive Director as they hold offices in COSCO Shipping and/or its other subsidiaries) has been formed in accordance with Chapter 14A of the Listing Rules and Rule 2.8 of the Takeovers Code to advise the Independent Shareholders on the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver.

The Independent Board Committee will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver and to make recommendations as to voting. Further announcement will be made by the Company upon the appointment of the independent financial adviser.

PROPOSED ADOPTION OF SHAREHOLDERS' RETURN PLAN

The Board proposes to adopt the the Shareholders' Return Plan subject to Shareholders' approval at the EGM. Further details of the Shareholders' Return Plan are set out in this Announcement.

EGM AND CLASS MEETINGS

The EGM will be convened to consider and, if thought fit, approve resolutions relating to (i) the Proposed Non-public Issuance of A Shares, (ii) the Subscription, (iii) the Specific Mandate, (iv) the Whitewash Waiver, and (v) the Shareholders' Return Plan.

The Class Meetings will be convened to consider and, if thought fit, approve resolutions relating to (i) the Proposed Non-public Issuance of A Shares, (ii) the Subscription, and (iii) the Specific Mandate.

COSCO Shipping and parties acting in concert with it and those Shareholders who are involved in or interested in the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate or the Whitewash Waiver will be required to abstain from voting on the corresponding resolutions to be proposed at the EGM and/or the Class Meetings. In the event that a Shareholder becomes a subscriber under the Proposed Non-public Issuance of A Shares, such Shareholder will be required to abstain from voting at the EGM and/or the Class Meetings.

A circular containing, among other things, (i) further details of the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate, the Whitewash Waiver, and the Shareholders' Return Plan ; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver; and (iii) a letter from an independent financial adviser to the Independent Board Committee and the Independent Shareholders containing its recommendation in respect of the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver is expected to be despatched to the Shareholders on or before 21 November 2017 in accordance with the requirements of the Listing Rules and the Takeovers Code.

CLOSURE OF REGISTER OF MEMBERS

The H Share register of the Company will be closed from 18 November 2017, to 18 December 2017 (both days inclusive), during which no transfer of H Shares will be effected.. Any holders of H Shares whose names appear on the Company's register of members on 18 December 2017 are entitled to attend and vote at the EGM and the H Shares Class Meeting after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the EGM and the H Shares Class Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar not later than 4:30 p.m. on 17 November 2017.

RESUMPTION OF TRADING IN A SHARES AND H SHARES

At the request of the Company, trading in the A Shares on the Shanghai Stock Exchange has been suspended from 27 October 2017 as the Company was contemplating the Proposed Non-public Issuance of A Shares. An application has been made by the Company to the Shanghai Stock Exchange for the resumption of trading in the A Shares on the Shanghai Stock Exchange from 1 November 2017.

At the request of the Company, trading in the H Shares on the Stock Exchange has been halted from 9:00 a.m. 31 October 2017 pending issuance of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares on the Stock Exchange from 9:00 a.m. on 1 November 2017.

The completion of the Proposed Non-public Issuance of A Shares and the Subscription are subject to the satisfaction of certain conditions. Accordingly, the Proposed Non-public Issuance of A Shares and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

Reference is made to the announcement of the Company dated 26 October 2017 in relation to, among other things, the Proposed Non-public Issuance of A Shares.

The Board is pleased to announce that, on 30 October 2017, the Board has approved the Proposed Non-public Issuance of A Shares, pursuant to which the Company will issue a maximum of 806,406,572 A Shares (subject to adjustment) to not more than 10 specific target subscribers, including COSCO Shipping, which would raise gross proceeds of RMB5.4 billion (subject to regulatory approval).

As part of the Proposed Non-public Issuance of A Shares, on 30 October 2017, the Company and COSCO Shipping entered into the Subscription Agreement pursuant to which COSCO Shipping has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, such number of A Shares for an amount of not more than RMB4.2 billion under the Proposed Non-public Issuance of A Shares.

PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

The details of the Proposed Non-public Issuance of A Shares are set out below.

Details of the Proposed Non-public Issuance of A Shares

Class and par value of Shares to be issued:	A Shares with a par value of RMB1.00 each.
Method and time of issuance:	The Proposed Non-public Issuance of A Shares will be carried out by way of non-public issue of A Shares to not more than 10 specific target subscribers, including COSCO Shipping. The Company will complete the Proposed Non-public Issuance of A Shares within six months after obtaining the approval from the CSRC.
Number of A Shares to be issued:	A maximum of 806,406,572 A Shares (referred to as the “Cap” below) will be issued under the Proposed Non-public Issuance of A Shares, which represents: (i) approximately 29.5 % of the existing issued A Shares and approximately 20.0% of the existing total issued share capital of the Company as at the date of this announcement; and (ii) approximately 22.8% of the enlarged issued A Shares and approximately 16.7% of the enlarged total issued share capital of the Company upon completion of the Proposed Non-public Issuance of A Shares. The Cap will be adjusted if there occurs any ex-right or ex-dividend event (such as distribution of dividend, bonus issue, capitalization of capital reserves, additional issuance or placing of new Shares) between date of this announcement and the date of share issuance under the Proposed Non-public Issuance of A Shares.

Subject to the Cap, the Board proposes that the Shareholders at the EGM and the Class Meetings grant to the Board and its authorised person(s) such authority as necessary for determining the final number of A Shares to be issued based on the market conditions and negotiations with the sponsor (the lead manager) with reference to the amount of proceeds to be raised and the actual amount of subscription received.

COSCO Shipping undertakes to subscribe for such number of A Shares for a subscription amount of not more than RMB4.2 billion under the Proposed Non-public Issuance of A Shares.

The Proposed Non-public Issuance of A Shares is not underwritten.

Target subscribers:

The target subscribers for the Proposed Non-public Issuance of A Shares will be not more than 10 specific subscribers (including COSCO Shipping). The target subscribers other than COSCO Shipping include securities investment fund management companies, securities companies, trust investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors and other qualified investors in compliance with applicable laws and regulations. Securities investment fund management companies, which subscribe for the A Shares with two or more of the funds managed by them, shall each be taken as one single subscriber. Trust companies may only subscribe for the A Shares with their own funds.

The final list of subscribers (other than COSCO Shipping) will be determined by the Board and its authorised person(s) with the authorisation by the Shareholders at the EGM and the Class Meetings and the sponsor (the lead manager) based on the price inquiry results in accordance with the price priority principle and applicable laws and regulations, after obtaining the approval documents issued by the CSRC in respect of the Proposed Non-public Issuance of A Shares.

As at the date of this announcement, apart from the Subscription Agreement, the Company has not entered into any agreement with any potential subscribers in respect of the Proposed Non-public Issuance of A Shares. The Company currently expects that, with the exception of COSCO Shipping: (i) the A Shares to be issued under the Proposed Non-public Issuance of A Shares will only be issued to subscribers who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons, and none of them will become substantial shareholders of the Company nor, together with parties acting in concert with it, would trigger mandatory general offer obligation under the Takeovers Code, upon completion of their respective subscriptions of the A Shares under the Proposed Non-public Issuance of A Shares; and (ii) the subscribers will not be parties acting in concert with COSCO Shipping. The Company will comply with all the relevant requirements of the Listing Rules and the Takeovers Code (if applicable) should there be any changes or if otherwise necessary.

**Price Determination
Date, issue price and
pricing principles:**

The Price Determination Date of the Proposed Non-public Issuance of A Shares is the first day of the period when the A Shares are issued under the Proposed Non-public Issuance of A Shares.

The issue price shall not be lower than both (i) 90% of the Average Trading Price and (ii) the net asset value per share as set out at the latest audited consolidated financial statement of the Company. The final issue price will be determined by the Board and its authorised person(s) with the authorisation by the Shareholders at the EGM and the Class Meetings and the sponsor (the lead manager) based on the price inquiry results in accordance with the price priority principle and applicable laws and regulations, after obtaining the approval documents issued by the CSRC in respect of the Proposed Non-public Issuance of A Shares.

All the target subscribers will subscribe for the A Shares under the Proposed Non-public Issuance of A Shares at the same issue price in cash. COSCO Shipping will not participate in the price inquiry exercise for the Proposed Non-public Issuance of A Shares, and will accept the price inquiry results and subscribe for the A Shares at the same issue price as other target subscribers.

Given the net asset value per Share as at the date of this announcement as set out in the latest 2016 audited consolidated financial statements of the Company is RMB6.81, on such basis it is expected the minimum issue price would, subject to regulatory approval, be at least RMB6.81 (the Benchmark Price). This represents a premium of approximately 5.58% over the closing price of the Company's A Shares at RMB6.45 on 26 October 2017, being the last trading day immediately before the date of this announcement. In the event that the issue price is expected to fall below the Benchmark Price, the Company will re-comply with the necessary approval requirements including, among other things, Independent Shareholders' approval requirements under the Listing Rules and for a new whitewash waiver under the Takeovers Code.

The issue price will be correspondingly adjusted if there occurs any ex-right or ex-dividend event (such as distribution of dividend, bonus issue, capitalization of capital reserves, additional issuance or placing of new Shares) between the Price Determination Date and the date of share issuance under the Proposed Non-public Issuance of the A Shares.

**Conditions precedent
of the Proposed
Non-public Issuance
of A Shares:**

The Proposed Non-public Issuance of A Shares is conditional upon:

- (i) the obtaining of the approval from the Independent Shareholders at the EGM and the Class Meetings;
- (ii) the obtaining of the approval from the SASAC;
- (iii) the obtaining of the approval from the CSRC; and

- (iv) the obtaining of the Whitewash Waiver and approval of the same by Independent Shareholders at the EGM.

According to the PRC Legal Advisers, none of the above conditions (i) to (iii) may be waived. The grant of the Whitewash Waiver is a condition precedent to the Proposed Non-public Issuance of A Shares and the Subscription. If the Whitewash Waiver is not granted, the condition precedent on the Whitewash Waiver may be waived so that the Proposed Non-public Issuance of A Shares may still proceed, but the size of the Subscription (in terms of number of A Shares to be issued to COSCO Shipping as a proportion to all A Shares to be issued pursuant to the Proposed Non-public Issuance of A Shares) is expected to be reduced to the extent that COSCO Shipping would not incur any obligation to make a general offer under the Takeovers Code and other subscribers will be invited to subscribe for such portion instead.

As at the date of this announcement, no application for the approval of the Proposed Non-public Issuance of A Shares has been submitted to the SASAC or the CSRC by the Company. The Company will submit the application for approval to (i) the SASAC, and (ii) following the approval by the Independent Shareholders of the Proposed Non-public Issuance of A Shares at the EGM and the Class Meetings, the CSRC, both in accordance with applicable laws and regulations in the PRC. An application will be made to the SFC for the grant of the Whitewash Waiver. Please also refer to the section headed “Whitewash Waiver under the Takeovers Code” in this announcement.

Lock-up period:

COSCO Shipping shall not transfer the A Shares subscribed under the Proposed Non-public Issuance of A Shares within 36 months from the date of completion of the Proposed Non-public Issuance of A Shares. All other target subscribers shall not transfer the A Shares subscribed under the Proposed Non-public Issuance of A Shares within 12 months from the date of completion of the Proposed Non-public Issuance of A Shares.

**Place of listing of the
A Shares to be
issued:**

The Company will apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares to be issued under the Proposed Non-public Issuance of A Shares. The A Shares to be issued under the Proposed Non-public Issuance of A Shares can be traded on the Shanghai Stock Exchange upon the expiration of the relevant lock-up period as referred to above.

Use of proceeds:

The gross proceeds to be raised from the Proposed Non-public Issuance of A Shares is RMB5.4 billion (subject to regulatory approval) (inclusive of the subscription for an amount of not more than RMB4.2 billion by COSCO Shipping pursuant to the Subscription Agreement), which are intended to be used in the following manner:

- (i) as to approximately RMB4.99 billion for the construction of 14 additional oil tankers; and
- (ii) as to approximately RMB0.41 billion for the completion of acquisition of two Panamanian oil tankers previously entered into.

On the above basis, the net proceeds from the Proposed Non-public Issuance of A Shares (after deducting all applicable costs and expenses incurred in connection with the Proposed Non-public Issuance of A Shares estimated to be approximately RMB24 million) are expected to be approximately RMB5.38 billion. To the extent the actual proceeds to be raised from the Proposed Non-public Issuance of A Shares are less than the aggregate amount of the proceeds as per the above allocation, the Company will make up for the shortfall by utilising its internal resources or other means of financing. The Board may make adjustments as to the specific projects, the order of priority and the specific amount allocated for each project based on the net

proceeds actually raised. Before the receipt of the proceeds to be raised from the Proposed Non-public Issuance of A Shares, the Company will, depending on the status of the projects, finance these projects by funds raised through other means of financing, which will be substituted by the proceeds raised from the Proposed Non-public Issuance of A Shares in accordance with relevant procedures as required by applicable laws and regulations once the same becomes available.

**Specific mandate to
issue A Shares:**

The Company will issue the A Shares under the Specific Mandate to be sought from the Independent Shareholders at the EGM and the Class Meetings.

**Rights of the A Shares
to be issued:**

The A Shares to be issued under the Proposed Non-public Issuance of A Shares, when fully paid and issued, will rank pari passu in all respects amongst themselves and with the A Shares in issue at the time of the issuance of such A Shares, including entitlements as Shareholders to the Company's undistributed profits accumulated from before the Proposed Non-public Issuance of A Shares.

**Validity period of the
resolution:**

The resolution regarding the Proposed Non-public Issuance of A Shares shall be valid for 12 months from the date of the passing of the resolution at the EGM and the Class Meetings.

CONNECTED TRANSACTION — PROPOSED SUBSCRIPTION OF A SHARES BY COSCO SHIPPING

As part of the Proposed Non-public Issuance of A Shares, on 30 October 2017, the Company and COSCO Shipping entered into the Subscription Agreement pursuant to which COSCO Shipping has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, such number of A Shares as would be issued for an amount of not more than RMB4.2 billion under the Proposed Non-public Issuance of A Shares.

Major terms of the Subscription Agreement

Date: 30 October 2017

Parties: (1) The Company, as the issuer; and
(2) COSCO Shipping, as the subscriber.

Number of A Shares to be issued: Subject to the Cap, the number of the A Shares to be issued to COSCO Shipping under the Subscription Agreement will be determined by the Board and its authorised person(s) with the authorisation by the Shareholders at the EGM and the Class Meetings, based on the market conditions and negotiations with the sponsor (the lead manager) with reference to the amount of proceeds to be raised and the actual amount of subscription received.

The Cap will be adjusted if there occurs any ex-right or ex-dividend event (such as distribution of dividend, bonus issue, capitalization of capital reserves, additional issuance or placing of new Shares) between the date of this announcement and the date of share issuance under the Proposed Non-public Issuance of A Shares.

Pursuant to the Subscription Agreement, COSCO Shipping undertakes to subscribe for such number of A Shares for an amount of not more than RMB4.2 billion under the Proposed Non-public Issuance of A Shares.

Subscription price and pricing principles:

The subscription price will be determined on the same basis as other A Shares to be issued under the Proposed Non-public Issuance of A Shares as mentioned above.

The final subscription price will be determined by the Board and its authorised person(s) with the authorisation by the Shareholders at the EGM and the Class Meetings and the sponsor (the lead manager) based on the price inquiry results in accordance with the price priority principle and applicable laws and regulations, after obtaining the approval documents issued by the CSRC in respect of the Proposed Non-public Issuance of A Shares.

COSCO Shipping will not participate in the pricing exercise for the Proposed Non-public Issuance of A Shares, but will accept results of market inquiry and subscribe for the A Shares at the same subscription price as other target subscribers.

The issue price will be correspondingly adjusted if there occurs any ex-right or ex-dividend event (such as distribution of dividend, bonus issue, capitalization of capital reserves, additional issuance or placing of new Shares) between the Price Determination Date and the date of the Proposed Non-public Issuance of A Shares.

The aggregate subscription price under the Subscription Agreement will be paid by COSCO Shipping to the Company in cash by bank transfer on the specific payment date as confirmed by the sponsor (the lead manager) in the notice of payment.

Conditions precedent of the Subscription:

The Subscription is conditional upon:

- (i) the obtaining of the approval from the Shareholders at the EGM and the Class Meetings;
- (ii) the obtaining of the approval from the SASAC;
- (iii) the obtaining of the approval from the CSRC; and

(iv) the obtaining of the Whitewash Waiver and approval of the same by Independent Shareholders at the EGM.

According to the PRC Legal Advisers, none of the above conditions (i) to (iii) may be waived. The grant of the Whitewash Waiver is a condition precedent to the Proposed Non-public Issuance of A Shares and the Subscription. If the Whitewash Waiver is not granted, the condition precedent on the Whitewash Waiver may be waived so that the Proposed Non-public Issuance of A Shares may still proceed, but the size of the Subscription (in terms of number of A Shares to be issued to COSCO Shipping as a proportion to all A Shares to be issued pursuant to the Proposed Non-public Issuance of A Shares) is expected to be reduced to the extent that COSCO Shipping would not incur any obligation to make a general offer under the Takeovers Code and other subscribers will be invited to subscribe for such portion instead.

As at the date of this announcement, no application for the approval of the Subscription has been submitted to the SASAC or the CSRC by the Company. The Company will submit the application for approval to (i) the SASAC, and (ii) following the approval by the Independent Shareholders of the Proposed Non-public Issuance of A Shares at the EGM and the Class Meetings, the CSRC, both in accordance with applicable laws and regulations in the PRC. Application will also be made to the SFC for the grant of the Whitewash Waiver. Please also refer to the section headed “Whitewash Waiver under the Takeovers Code” in this announcement for details.

Lock-up period:

Pursuant to the Subscription Agreement, COSCO Shipping shall not transfer the A Shares subscribed by it under the Proposed Non-public Issuance of A Shares within 36 months from the date of completion of the Proposed Non-public Issuance of A Shares.

**Rights of the A Shares
to be issued:**

The A Shares to be issued under the Subscription, when fully paid and issued, will rank pari passu in all respects amongst themselves and with the A Shares in issue at the time of the issuance of such A Shares, including entitlements as Shareholders to the Company's undistributed profits accumulated from before the Proposed Non-public Issuance of A Shares.

Information on the parties to the Subscription Agreement

The Company

The Company is a joint stock company established under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange. The Group is principally engaged in (a) investment holding; and/or (b) oil and LNG shipment along the PRC coast and international shipment; and/or (c) vessel chartering.

COSCO Shipping

COSCO Shipping is a state-owned enterprise which is the indirect controlling shareholder of the Company through CSG. CSG is a large shipping conglomerate involved in the import and export business, trading, coastal and ocean cargo transportation, dry bulk cargo transportation, supply of food for vessels, management of docks and other services in relation to the above, and operates in different regions of the PRC and across the world.

WHITEWASH WAIVER UNDER THE TAKEOVERS CODE

Application for the Whitewash Waiver

As at the date of this announcement, COSCO Shipping and its associates hold the voting rights in respect of 1,554,631,593 A Shares and no H Shares, representing approximately 38.56% of the total issued share capital of the Company.

Upon completion of the Proposed Non-public Issuance of A Shares and assuming the issuance is conducted at the Benchmark Price, the COSCO Shipping Concert Group's holding of voting rights in respect of all the Shares is expected to increase from approximately 38.56% to approximately 45.00% on a fully diluted basis. As a result of such acquisition of voting rights in the Company, unless the Whitewash Waiver is granted, COSCO Shipping will incur an obligation to make a mandatory offer under Rule 26 of the Takeovers Code for all the Shares other than those already held or agreed to be acquired by the COSCO Shipping Concert Group. The grant of the Whitewash Waiver is a condition precedent to the Proposed Non-public Issuance of A Shares and the Subscription. If the Whitewash Waiver is not granted, the condition precedent on the Whitewash Waiver may be waived so that the Proposed Non-public Issuance of A Shares may still proceed, but the size of the Subscription (in terms of number of A Shares to be issued to COSCO Shipping as a proportion to all A Shares to be issued pursuant to the Proposed Non-public Issuance of A Shares) is expected to be reduced to the extent that COSCO Shipping would not incur any obligation to make a general offer under the Takeovers Code and other subscribers will be invited to subscribe for such portion instead.

An application will be made to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, is expected to be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. COSCO Shipping and parties acting in concert with it, and any other Shareholders who are involved or interested in the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver are required to abstain from voting at the EGM in respect of the resolution approving the Whitewash Waiver.

The Proposed Non-public Issuance of A Shares and the Subscription will be conducted in compliance with the relevant rules and regulations, including those prescribed by the CSRC in relation to the implementation of the issuance, the Listing Rules and the Takeovers Code. As at the date of this announcement, the Company does not believe that the Proposed Non-public Issuance of A Shares and the Subscription give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular in respect of the Whitewash Waiver. The Company notes that the Executive may not grant the Whitewash Waiver if the Proposed Non-public Issuance of A Shares and the Subscription do not comply with other applicable rules and regulations.

Further information on the COSCO Shipping Concert Group

As at the date of this announcement:-

- (i) save for the COSCO Shipping Concert Group's shareholding interests in the Company as disclosed in this announcement, none of the members of the COSCO Shipping Concert Group holds or has control or direction over any other shares, rights over shares, convertible securities, warrants or options of the Company, and has not entered into any outstanding derivatives in respect of the securities of the Company;
- (ii) none of the members of the COSCO Shipping Concert Group has had any dealings in any securities of the Company in the six-month period preceding the date of this announcement;
- (iii) none of the members of the COSCO Shipping Concert Group has had received any irrevocable commitment to vote for or against the proposed resolution approving the Proposed Non-public Issuance of A Shares, the Subscription and/or the Whitewash Waiver;
- (iv) save for the Subscription, there is no arrangement (whether by way of option, indemnity or otherwise) under Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of COSCO Shipping which may be material to the Proposed Non-public Issuance of A Shares, the Subscription or the Whitewash Waiver;
- (v) save for the Subscription Agreement, there is no arrangement or agreement to which any member of the COSCO Shipping Concert Group is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Proposed Non-public Issuance of A Shares, the Subscription or the Whitewash Waiver; and
- (vi) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which any member in the COSCO Shipping Concert Group has borrowed or lent.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the total number of issued Shares in the capital of the Company is 4,032,032,861 Shares, which comprises 2,736,032,861 A Shares and 1,296,000,000 H Shares.

For illustrative purpose, the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Proposed Non-public Issuance of A Shares (assuming that (a) COSCO Shipping subscribes for such number of A Shares for an amount of RMB4.2 billion at the Benchmark Price, (b) the other target subscribers subscribe for such number of A Shares for an aggregate amount of RMB1.2 billion at the Benchmark Price and (c) there is no change in the total issued share capital of the Company since the date of this announcement save for the issue of the A Shares pursuant to the Proposed Non-public Issuance of A Shares) is as set out below:

Shareholder	Existing (as at the date of this announcement)			Immediately upon completion of the Proposed Non-public Issuance of A Shares		
	Class and No. of voting rights	Percentage of relevant class of voting rights in the relevant class of voting rights	Percentage of all voting rights of the Company	Class and No. of voting rights	Percentage of the relevant class of voting rights	Percentage of all issued voting rights of the Company
COSCO Shipping and parties acting in concert with it (Note 1)						
- COSCO Shipping	0	0	0	616,740,088 A Shares (Note 2)	17.48%	12.78%
- CSG	1,554,631,593 A Shares	56.82%	38.56%	1,554,631,593 A Shares	44.05%	32.22%
Subtotal	1,554,631,593 A Shares	56.82%	38.56%	2,171,371,681 A Shares	61.53%	45.00%
Other target subscribers under the Proposed Non-public Issuance of A Shares	—	—	—	176,211,453 A Shares	4.99%	3.65%
GIC Private Limited (Note 3)	129,082,000 H Shares	9.96%	3.20%	129,082,000 H Shares	9.96%	2.68%
Prudential plc	91,650,000 H Shares	7.07%	2.27%	91,650,000 H Shares	7.07%	1.90%
Other Public Shareholders	1,181,401,268 A Shares	43.18%	29.30%	1,181,401,268 A Shares	33.48%	24.49%
	1,075,268,000 H Shares	82.97%	26.67%	1,075,268,000 H Shares	82.97%	22.29%
Total:	2,736,032,861 A Shares	100%	67.86%	3,528,984,402 A Shares	100%	73.14%
	1,296,000,000 H Shares	100%	32.14%	1,296,000,000 H Shares	100%	26.86%

Notes:

1. COSCO Shipping is the indirect controlling shareholder of the Company and is deemed interested in the 1,536,924,595 A Shares (representing approximately 38.12% of the total voting rights of the Company) held directly by CSG as at the date hereof. CSG also holds (a) 7,000,000 A Shares (representing approximately 0.17% of the total voting rights of the Company as at the date of this announcement) through CICC-CCB-Zhongjin Ruihe collective asset management schemes (中金公司-建設銀行-中金瑞和集合資產管理計劃), (b) 2,065,494 A Shares (representing approximately 0.05% of the total voting rights of the Company as at the date of this announcement) through Guotai Junan securities asset management-Industrial Bank - Guotai Junan Junxiang Xinli No.6 collective asset management schemes (國泰君安證券資管-興業銀行-國泰君安君享新利六號集合資產管理計劃), (c) 8,641,504 A Shares (representing approximately 0.21% of the total voting rights of the Company as at the date of this announcement) through AEGON-INDUSTRIAL Fund Management Co., Ltd - China Shipping (Group) Company collective asset management schemes (興業全球基金-上海銀行-中國海運 (集團) 總公司). Therefore, CSG and its subsidiaries are interested in 1,554,631,593 A Shares in aggregate as at the date hereof, representing approximately 38.56% of the total number of voting rights in the Company as at the date of this announcement.
2. Assuming the issuance price for the Proposed Non-public Issuance of A Shares is at the Benchmark Price, COSCO Shipping is expected to acquire 616,740,088 A Shares through the Subscription, representing approximately 12.78% of the total issued Shares on a fully diluted basis. On this basis, together with the deemed interest of CSG pursuant to the SFO, COSCO Shipping will be interested in approximately 45.00% of the total issued Shares of the Company under the SFO immediately upon completion of the issuance of the A Shares underlying the Proposed Non-public Issuance of A Shares.
3. According to the information disclosed to the Company under Division 2 and Division 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), GIC Private Limited held the above Shares as an investment manager.

As the final issue price under the Proposed Non-public Issuance of A Shares is not pre-determined as at the date of this announcement and will be determined nearer the time of actual issuance as described above in this announcement, the actual number of A Shares to be issued to and the subscription price to be paid by COSCO Shipping and the other target subscribers under the Proposed Non-public Issuance of A Shares may not be the same as shown the table above.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising exercises during the 12 months immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF THE PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

The Board considers that the Proposed Non-public Issuance of A Shares is conducive to the comprehensive and sustainable development of the Company's business and would provide funding for Company's further development in its maritime transportation business, and that the Proposed Non-public Issuance of A Shares and the Subscription are on normal commercial terms that are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

The Proposed Non-public Issuance of A Shares is RMB5.4 billion (subject to regulatory approval). The net proceeds from the Proposed Non-public Issuance of A Shares (after deducting all applicable costs and expenses incurred in connection with the Proposed Non-public Issuance of A Shares of approximately RMB24 million) are intended to be used primarily for acquisition of vessels as detailed in the subsection-headed "Use of Proceeds" under the section headed "PROPOSED NON-PUBLIC ISSUANCE OF A SHARES" in this announcement. These align with the expansion plan of the Company.

In addition, the Subscription also demonstrates the confidence COSCO Shipping places in the Company and COSCO Shipping's support to the development of the business of the Company.

The terms and conditions of the Subscription Agreement are agreed after arm's length negotiations between the Company and COSCO Shipping. As stated in the section headed "Implications under the Listing Rules", one executive Director and three non-executive Directors have abstained from voting on the relevant Board resolutions approving the Proposed Non-public Issuance of A Shares and the Subscription.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, COSCO Shipping and its associates control or are entitled to exercise control over the voting rights in respect of 1,554,631,593 A Shares, representing approximately 38.56% of all the issued Shares in the Company. Accordingly, COSCO Shipping is a controlling shareholder of the Company and therefore a connected person of the Company. The Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Huang Xiaowen, an executive Director, and Mr. Feng Boming, Mr. Zhang Wei and Ms. Lin Honghua, who are non-executive Directors, hold directorship(s) or act as senior management in COSCO Shipping and/or its subsidiaries other than the Group, and accordingly, Mr. Huang Xiaowen, Mr. Feng Boming, Mr. Zhang Wei and Ms. Lin Honghua have abstained from voting on the relevant Board resolutions approving the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver. Mr. Feng Boming, Mr. Zhang Wei and Ms. Lin Honghua are also therefore not included in the Independent Board Committee for the purposes of Rule 2.8 of the Takeovers Code. As at the date of this announcement, none of the aforementioned Directors hold any Shares. Save as aforementioned, none of the other Directors has a material interest in the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver and hence no other Director has abstained from voting on such Board resolutions.

The Directors (including the independent non-executive Directors but excluding the Directors who are required to abstain from voting) are of the view that while the transactions contemplated under the Subscription Agreement is not in the ordinary and usual course of business of the Group, the terms of the Subscription Agreement are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISERS

The Independent Board Committee (comprising all the independent non-executive Directors and not including any non-executive Directors as they hold directorship(s) or senior management office(s) in COSCO Shipping and/or its subsidiaries other than the Group) has been formed in accordance with Chapter 14A of the Listing Rules and Rule 2.8 of the Takeovers Code to advise the Independent Shareholders on the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver.

The Independent Board Committee will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver. Further announcement will be made by the Company upon the appointment of the independent financial adviser.

PROPOSED ADOPTION OF THE SHAREHOLDERS' RETURN PLAN

Pursuant to the Notice Regarding Further Implementation of Cash Dividend Distribution of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) and Listed Companies Regulatory Guidance No. 3 — Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) both issued by the CSRC, the Guideline on the Distribution of Cash Dividends by Listed Companies of the Shanghai Stock Exchange (《上海證券交易所上市公司現金分紅指引》) issued by the Shanghai Stock Exchange and the Articles of Association, the Board has formulated and proposes to adopt the Shareholders' Return Plan. The proposed adoption of the Shareholders' Return Plan will be subject to the approval by the Shareholders at the EGM. A circular containing, among other things, details of the Shareholders' Return Plan will be despatched to the Shareholders as referred to below in this announcement.

EGM AND CLASS MEETINGS

The EGM will be convened to consider and, if thought fit, approve resolutions relating to (i) the Proposed Non-public Issuance of A Shares, (ii) the Subscription, (iii) the Specific Mandate, (iv) the Whitewash Waiver, and (v) the Shareholders' Return Plan.

The Class Meetings will be convened to consider and, if thought fit, approve resolutions relating to (i) the Proposed Non-public Issuance of A Shares, (ii) the Subscription, and (iii) the Specific Mandate.

At the EGM and/or the Class Meetings, Resolutions relating to the Proposed Non-public Issuance of A Shares, the Subscription, and the Specific Mandate will be proposed by way of special resolutions; and resolutions relating to the Whitewash Waiver and the Shareholders' Return Plan will be proposed by way of ordinary resolutions.

The voting at the EGM and/or the Class Meetings in relation to the resolutions referred to above will be conducted by way of poll.

COSCO Shipping and parties acting in concert with it and those Shareholders who are involved in or interested in the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate or the Whitewash Waiver will be required to abstain from voting on the resolutions to be proposed at the EGM and/or the Class Meetings in relation to the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver, as the case may be. In the event that a Shareholder becomes a subscriber under the Proposed Non-public Issuance of A Shares, such Shareholder will be required to abstain from voting at the EGM and/or the Class Meetings. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Proposed Non-public Issuance of A Shares, the Subscription and the Specific Mandate and therefore no other Shareholder is required to abstain from voting at the EGM and/or the Class Meetings.

A circular containing, among other things, (i) further details of the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate, the Whitewash Waiver, and the Shareholders' Return Plan ; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver; and (iii) a letter from an independent financial adviser to the Independent Board Committee and the Independent Shareholders containing its recommendation in respect of the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver is expected to be despatched to the Shareholders on or before 21 November 2017 in accordance with the requirements of the Listing Rules and the Takeovers Code.

CLOSURE OF REGISTER OF MEMBERS

The H Share register of the Company will be closed from 18 November 2017, to 18 December 2017 (both days inclusive), during which no transfer of H Shares will be effected. Any holders of H Shares whose names appear on the Company's register of members on 18 December 2017 are entitled to attend and vote at the EGM and the H Shares Class Meeting after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the EGM and the H Shares Class Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar not later than 4:30 p.m. on 17 November 2017.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the A Shares on the Shanghai Stock Exchange has been suspended from 27 October 2017 as the Company was contemplating the Proposed Non-public Issuance of A Shares. An application has been made by the Company to the Shanghai Stock Exchange for the resumption of trading in the A Shares on the Shanghai Stock Exchange from 1 November 2017.

At the request of the Company, trading in the H Shares on the Stock Exchange has been halted from 9:00 a.m. on 31 October 2017 pending issuance of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares on the Stock Exchange from 9:00 a.m. on 1 November 2017.

The completion of the Proposed Non-public Issuance of A Shares and the Subscription are subject to the satisfaction of certain conditions. Accordingly, the Proposed Non-public Issuance of A Shares and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follow:

“A Shareholder(s)”	holder(s) of A Share(s)
“A Share(s)”	the domestic share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“A Shares Class Meeting”	the class meeting of the A Shareholders
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Average Trading Price”	the average trading price of the A Shares during the 20 trading days immediately preceding the Price Determination Date, which is calculated by dividing the total turnover of the A Shares by the total trading volume of the A Shares during the 20 trading days immediately preceding the Price Determination Date

“Benchmark Price”	for illustration purpose only, RMB6.81 being the net asset value per Share set out in the most recent audited consolidated financial statements of the Company as at the date of this announcement
“Board”	the board of directors of the Company
“Cap”	the maximum of 806,406,572 A Shares to be issued pursuant to the Proposed Non-public Issuance of A Shares
“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 Concert Group”	COSCO Shipping and parties acting in concert with it for the purpose of the Takeovers Code, including CSG and its subsidiaries
“CSG”	China Shipping (Group) Company* (中國海運(集團)總公司), a PRC state-owned enterprise wholly-owned by COSCO Shipping and the direct controlling shareholder of the Company
“Class Meetings”	the A Shares Class Meeting and the H Shares Class Meeting
“Company”	COSCO SHIPPING Energy Transportation Co., Ltd* (中國海運能源運輸股份有限公司), a joint stock limited company established in the PRC, whose H shares and A shares are listed on Main Board of the Hong Kong Stock Exchange (Stock Code: 1138) and the Shanghai Stock Exchange (Stock Code: 600026), respectively
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Non-public Issuance of A Shares, (ii) the Subscription, (iii) the Specific Mandate, (iv) the Whitewash Waiver, and (v) the Shareholders’ Return Plan
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of its delegate(s)
“Group”	the Company and its subsidiaries as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Shareholder(s)”	holder(s) of H Share(s)
“H Share(s)”	the overseas listed foreign shares in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on Main Board of the Hong Kong Stock Exchange
“H Shares Class Meeting”	the class meeting of the H Shareholders
“Independent Board Committee”	the independent board committee of the Company comprising Mr. Wang Wusheng, Mr. Ruan Yongping, Mr. Ip Sing Chi, Mr. Rui Meng and Mr. Teo Siong Seng being all the independent non-executive Directors, which is formed in accordance with the Listing Rules and the Takeovers Code to advise the Independent Shareholders on the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver
“Independent Shareholders”	Shareholders other than (i) COSCO Shipping and parties acting in concert with it and (ii) all other parties (if any) who are interested or involved in the Proposed Non-public Issuance of A Shares, the Subscription, the Specific Mandate and the Whitewash Waiver.

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Legal Advisers”	the PRC legal advisers to the Company
“Price Determination Date”	the first day of the period when the A Shares are issued under the Proposed Non-public Issuance of A Shares
“Proposed Non-public Issuance of A Shares”	the proposed non-public issuance of not more than 806,406,572 A Shares by the Company to not more than 10 specific target subscribers, including COSCO Shipping which proposes to participate via the Subscription
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會)
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Share(s)
“Shareholders’ Return Plan”	the shareholders’ return plan for the coming three years (2017-2019) of the Company
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM and the Class Meetings to issue the A Shares under the Proposed Non-public Issuance of A Shares
“Subscription”	the proposed subscription of A Shares by COSCO Shipping pursuant to the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated 30 October 2017 entered into between the Company and COSCO Shipping, pursuant to which COSCO Shipping has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, such number of A Shares for an amount of not more than RMB4.2 billion under the Proposed Non-public Issuance of A Shares
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“trading day(s)”	a day on which the Shanghai Stock Exchange is open for dealing or trading in securities
“Whitewash Waiver”	a waiver sought to be granted by the Executive pursuant to Note 1 on dispensation from Rule 26 of the Takeovers Code in respect of the obligation of COSCO Shipping to make a general offer for all the issued A Shares (and a comparable offer to acquire all issued H Shares) not already owned by or agreed to be acquired by the COSCO Shipping Concert Group which may otherwise arise as a result of the Subscription
“%”	per cent

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

Shanghai, the People’s Republic of China
31 October 2017

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. Wang Wusheng, Mr. Ruan Yongping, Mr. Ip Sing Chi, Mr. Rui Meng and Mr. Teo Siong Seng as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the other members of the COSCO Shipping Concert Group that are not members of the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by COSCO Shipping) 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 statements in this announcement misleading.

As at the date of this announcement, the board of directors of COSCO Shipping comprises Mr. Xu Lirong, Mr. Wan Min, Mr. Liu Zhangmin, Mr. Ho, David Hing-Yuen, Mr. Chung Shui Ming and Mr. Xu Donggen..

The directors of COSCO Shipping accepts full responsibility for the accuracy of the information relating to the COSCO Shipping Concert Group (other than the Group) contained in this announcement and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by COSCO Shipping 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 statements in this announcement misleading.

** For identification purpose only.*