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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 IN RESPECT OF
RELATED PARTY TRANSACTIONS

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; (f) the announcement dated 6 February 2018; and (g) the announcements dated 5 March 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 those defined in the Circular.

On 29 March 2018, the Company received a notification letter from the CSRC in respect of preparation for the meeting of the issuance committee of the CSRC to consider the Proposed Non-public Issuance of A Shares (《關於請做好相關項目發審委會議準備工作的函》) (the “**Notification Letter**”).

The Group will enter into additional related party transactions arising from the construction of the 16 oil tankers for which the gross proceeds to be raised from the Proposed Non-public Issuance of A Shares are intended to be used. In order to regulate such related party transactions and protect the interests of the Company and the minority Shareholders, China COSCO Shipping Corporation

* For identification purpose only

Limited* (中國遠洋海運集團有限公司) (“**COSCO SHIPPING**”), the indirect controlling Shareholder and one of the subscribers of the Proposed Non-public Issuance of A Shares, issued an undertaking letter to the Company, the contents of which are summarised as follows:

1. in the course of its future business operation, COSCO SHIPPING shall take effective measures to reduce and standardize the related party transactions with the Company. In respect of related party transactions which cannot be avoided or are necessary, COSCO SHIPPING shall follow the market principles of “equality, fairness and openness”, undertake that the related party transactions of COSCO SHIPPING and its controlled entities shall follow commercial principles and the price of the related party transactions shall not in principle deviate from the price or charging standard of independent third parties who conduct same or similar transactions. COSCO SHIPPING shall enter into contracts for related party transactions according to the laws, go through internal review procedures and fulfil information disclosure obligation according to the relevant laws and regulations, guidance documents and the Articles of Association of the Company, and undertake not to impair the interests of the Company and the minority Shareholders by means of the related party transactions;
2. COSCO SHIPPING and its controlled entities shall strictly follow the Company Law of the PRC, other relevant laws and regulations and the Articles of Association of the Company in exercising its rights as a Shareholder; and shall abstain from voting in the Shareholders’ meetings on any resolutions relating to the related party transactions between the Group and COSCO SHIPPING and its controlled entities;
3. if COSCO SHIPPING and its controlled entities fail to comply with the undertakings abovementioned, leading to the impairment of the interests of the Company or the minority Shareholders, COSCO SHIPPING shall bear all legal responsibilities under relevant laws and undertake to actively eliminate the adverse effect arising thereof; and
4. for so long as COSCO SHIPPING remains a controlling Shareholder, the undertakings abovementioned shall be effective.

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
9 May 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.