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中遠海運發展股份有限公司
COSCO SHIPPING Development Co., Ltd.*

(Formerly known as 中海集裝箱運輸股份有限公司 China Shipping Container Lines Company Limited)
(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02866)

OVERSEAS REGULATORY ANNOUNCEMENT

**ANNOUNCEMENT BY COSCO SHIPPING DEVELOPMENT CO., LTD.
IN RELATION TO COMPLETION OF IMPLEMENTATION OF
THE MATERIAL ASSET RESTRUCTURING**

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.

At the 2016 first extraordinary general meeting of COSCO SHIPPING Development Co., Ltd. (the “**Company**”) held on 1 February 2016, the relevant resolutions with respect to the material asset restructuring, along with the Report on Major Asset Disposal and the Major Asset Acquisition of China Shipping Container Lines Company Limited and the Connected Transactions (the “**Restructuring Report**”), were considered and approved. Please refer to the Restructuring Report published by the Company on 25 December 2015 on the website of the Shanghai Stock Exchange (www.sse.com.cn) for details. As at the date of this announcement, the material asset restructuring of the Company has been completed, and we hereby announce the relevant matters as follows:

I. COMPLETION STATUS OF ASSETS

According to the Asset Purchase Agreement between China COSCO Holdings Company Limited and China Shipping Container Lines Company Limited, the Asset Purchase Agreement among COSCO Container Lines Co., Ltd., Shanghai Pan Asia Shipping Company Limited and China Shipping Container Lines (Hong Kong) Co., Limited, the Agreement entered into between China Shipping Container Lines (Hong Kong) Co., Limited and COSCO Container Lines (Hong Kong) Co., Limited in relation to the Sale and Purchase of the Shares in China Shipping Container Lines Agency (Hong Kong) Co., Limited, the Agreement entered into between China Shipping Container Lines (Hong Kong) Co., Limited and Shanghai Pan Asia Shipping Company Limited in relation to the Sale and Purchase of the Shares in Universal Shipping (Asia) Company Limited, the Agreement entered into between China Shipping Container Lines Company Limited and COSCO Container Lines Co., Ltd. in relation to the Sale and Purchase of the Shares in Golden Sea Shipping Pte. Ltd., the Share Purchase Agreement entered into between China Shipping Container Lines Company Limited and China Shipping Regional Holdings Pte. Ltd. in relation to the Sale and Purchase of 9% Equity Interests in Golden Sea Shipping Pte. Ltd., the Share Purchase Agreement entered

into between China Shipping Container Lines (Hong Kong) Co., Limited and China Shipping Regional Holdings Pte. Ltd. in relation to the Sale and Purchase of 91% Equity Interests in China Shipping (Singapore) Petroleum Pte. Ltd. and the Agreement entered into among China Shipping (Hong Kong) Holdings Co., Limited, China Shipping Container Lines Company Limited and COSCO Pacific Limited in relation to the Sale and Purchase of 5,679,542,724 Shares in China Shipping Ports Development Co., Ltd., as at 31 August 2016, the relevant counterparties to the transactions had paid the considerations for shares transfers in respect of the above transactions after dividend adjustment (if relevant) to the Company and China Shipping Container Lines (Hong Kong) Co., Limited (**“CS Container HK”**).

According to the Asset Purchase Agreement among China Shipping Container Lines Company Limited, China Shipping (Group) Company, Guangzhou Maritime Transport (Group) Co., Ltd. and Shanghai Shipping (Group) Company in relation to China Shipping Investment Co., Ltd., the Asset Purchase Agreement between China Shipping Container Lines Company Limited and China Shipping (Group) Company in relation to China Shipping Leasing Co., Ltd., the Asset Purchase Agreement among China Shipping Container Lines Company Limited, China Shipping (Group) Company and Guangzhou Maritime Transport (Group) Co., Ltd. in relation to China Shipping Finance Company Limited, the Share Purchase Agreement between China Shipping (Hong Kong) Holdings Co., Limited and China Shipping Container Lines (Hong Kong) Co., Limited in relation to the Sale and Purchase of (1) 100% Equity Interests in China Shipping Nauticgreen Holdings Company Limited and (2) 100% Equity Interests in Helen Insurance Brokers Limited, the Share Purchase Agreement between China Shipping (Hong Kong) Holdings Co., Limited and China Shipping Container Lines (Hong Kong) Co., Limited in relation to the Sale and Purchase of 100% Equity Interests in Dong Fang International Investment Limited, the Share Purchase Agreement between COSCO (Hong Kong) Group Limited and China Shipping Container Lines (Hong Kong) Co., Limited in relation to the Sale and Purchase of 100% Equity Interests in Long Honour Investments Limited, the Agreement entered into between COSCO Pacific Limited (as the Vendor) and China Shipping Container Lines (Hong Kong) Co., Limited (as the Purchaser) in relation to the Sale and Purchase of Entire Equity Interests in Florens Container Holdings Limited and the Asset Purchase Agreement entered into between China Shipping Container Lines Company Limited and China Ocean Shipping (Group) Company in relation to China Bohai Bank Co., Ltd, as at 30 December 2016, the Company and CS Container HK had paid the considerations for shares transfers in respect of the above transactions after dividend adjustment (if relevant) to the relevant counterparties to the transactions.

On 13 January 2017, as considered and approved by the sixteenth meeting of the fifth session of the board of directors of the Company, the proposed capital increase in COSCO Finance Co., Ltd. (**“COSCO Finance”**) by the Company for 17.53% equity interest in COSCO Finance (the **“COSCO Finance Capital Increase”**) has been removed from the scope of the material asset restructuring, and the COSCO Finance Capital Increase has been terminated. Accordingly, the material asset restructuring of the Company has been completed.

II. TRANSFER OF ASSETS

As of the date of this announcement, the transfers of the target assets under the material asset restructuring have been all completed.

III. CLOSING AUDIT

As of the date of this announcement, the parties to the transactions shall make adjustments of the attribution of profit and loss of the target assets during the transitional period based on the results of closing audit.

IV. CONCLUSIVE OPINIONS OF INTERMEDIARIES

1. Opinions of the Independent Financial Advisers

China International Capital Corporation Limited and Guotai Junan Securities Company Limited, as the independent financial advisers engaged by the Company, are of the opinions that:

1. The approvals obtained by the Company in respect of the restructuring and the procedures of obtaining the approvals are in compliance with the requirements of laws, regulations and normative documents, and the Company has complied with the relevant information disclosure obligations according to the requirements of the relevant laws and regulations.
2. The implementation process of the restructuring of the Company has been duly carried out and has complied with the requirements of laws, regulations and normative documents, including the Company Law, the Securities Law and the Administrative Measures on Material Asset Restructurings of Listed Companies.
3. As at the date of issuance of the verification opinion, the Company has completed the restructuring, and has completed the necessary transfer procedures.
4. During the implementation of the restructuring of the Company, the necessary decision-making procedures and information disclosures have been performed in respect of the termination of the COSCO Finance Capital Increase; during the implementation of the restructuring, except for the termination of the COSCO Finance Capital Increase, there is no material change between the relevant actual circumstances and the relevant information previously disclosed.
5. As confirmed by Company and after due verification, the changes of directors, supervisors and senior management during the implementation of the restructuring are adjustments necessary for the normal operation of the Company, and did not affect the operation of the Company, and the Company has complied with the obligations of information disclosures in a timely manner.
6. As confirmed by the Company and after due verification, no incident of misappropriation of funds or assets of the Company by the controlling shareholders or their related parties had occurred as a result of the restructuring during the implementation process of the restructuring, and the Company had not provided guarantee in violation of the regulations for the controlling shareholders and their related parties.

7. Subject to the performance of the respective obligations of each party of the restructuring in accordance with the relevant agreements and undertakings, there will not be any substantive legal impediments or material legal risks to the completion of the relevant subsequent matters of the restructuring.

2. Opinions of Legal Counsel

Grandall Law Firm (Shanghai), the legal counsel engaged by the Company, is of the Opinion that:

1. The necessary approvals and authorisations have been obtained for the restructuring in accordance with the laws, and such obtained approvals and authorisations are legal and valid.
2. The restructuring has been completed, and the necessary transfer procedures have been completed.
3. During the implementation of the restructuring of the Company, the necessary decision-making procedures and information disclosures have been performed in respect of the termination of the COSCO Finance Capital Increase; during the implementation of the restructuring, except for the termination of the COSCO Finance Capital Increase, there is no material change between the relevant actual circumstances and the relevant information previously disclosed.
4. The changes of directors, supervisors and senior management of the Company during the implementation of the restructuring are adjustments necessary for the normal operation of the Company, and did not affect the operation of the Company, and the Company has complied with the obligations of information disclosures in a timely manner.
5. No incident of misappropriation of funds or assets of the Company by the controlling shareholders or their related parties had occurred as a result of the restructuring during the implementation process of the restructuring, and the Company had not provided guarantee in violation of the regulations for the controlling shareholders and their related parties.
6. Subject to the performance of the respective obligations of each party of the restructuring in accordance with the relevant agreements and undertakings, there will not be any substantive legal impediments or material legal risks to the completion of the relevant subsequent matters of the restructuring.

V. DOCUMENTS FOR INSPECTION

1. Report on the Implementation of Major Asset Disposal and Major Asset Acquisition and Connected Transactions of COSCO SHIPPING Development Co., Ltd.;
2. Independent Financial Adviser Report on the Implementation of the Major Asset Disposal and Acquisition and the Connected Transactions of COSCO SHIPPING Development Co., Ltd. issued by China International Capital Corporation Limited and Guotai Junan Securities Company Limited;

3. Legal Opinions on the Implementation of the Major Asset Disposal and Major Asset Acquisition and the Connected Transactions of COSCO SHIPPING Development Co., Ltd. issued by Grandall Law Firm (Shanghai).

By order of the Board
COSCO SHIPPING Development Co., Ltd.
Yu Zhen
Joint Company Secretary

Shanghai, the People's Republic of China
16 January 2017

As at the date of this announcement, the Board comprises of Ms. Sun Yueying, Mr. Wang Daxiong, Mr. Liu Chong and Mr. Xu Hui, being executive Directors, Mr. Feng Boming, Mr. Huang Jian and Mr. Chen Dong, being non-executive Directors, and Mr. Cai Hongping, Mr. Tsang Hing Lun, Ms. Hai Chi Yuet and Mr. Graeme Jack, being independent non-executive Directors.

* *The Company is a registered non-Hong Kong company as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and it is registered under its Chinese name and under the English name "COSCO SHIPPING Development Co., Ltd."*