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中遠海運控股股份有限公司
COSCO SHIPPING Holdings Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1919)

**PROPOSED INCREASE IN THE MAXIMUM AMOUNT OF
EXTERNAL GUARANTEES UNDER THE GUARANTEES MANDATE**

Reference is made to (i) the announcement of COSCO SHIPPING Holdings Co., Ltd.* (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 March 2018 in relation to, among other things, the proposed grant of the guarantees mandate to authorize the directors of the Company to approve the provision of external guarantees by the Group for the borrowings of its subsidiaries and joint ventures not exceeding US\$1.9 billion or the equivalent amount in RMB for the year of 2018 (the “**Guarantees Mandate**”); (ii) the circular of the Company dated 18 May 2018 in relation to, among other things, the proposed grant of the Guarantees Mandate (the “**Circular**”); (iii) the announcement of the Company dated 8 June 2018 in relation to, among other things, the ordinary resolution in respect of the proposed grant of the Guarantees Mandate being duly passed by the Shareholders; and (iv) the joint announcement dated 27 July 2018 (the “**Closing Announcement**”) issued by Faulkner Global Holdings Limited, Shanghai Port Group (BVI) Development Co., Limited, the Company and Orient Overseas (International) Limited (“**OOIL**”, together with its subsidiaries, the “**OOIL Group**”) in relation to, among other things, the close of the Offer. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular and the Closing Announcement.

As OOIL has become a non-wholly owned subsidiary of the Company after completion of the Offer in 2018, the external guarantees provided by the OOIL Group shall be counted towards the amount of external guarantees to be provided by the Group under the Guarantees Mandate.

The Board announces that as at the date of this announcement, (i) the total amount of external guarantees provided by the OOIL Group was approximately RMB29.012 billion (the “**Existing OOIL Guarantees**”); (ii) the total amount of external guarantees provided by the Group (exclusive of the Existing OOIL Guarantees) was RMB12.196 billion, representing approximately 59.01% of the audited net assets of the Company attributable to the Shareholders as at 31 December 2017, being the date on which the latest audited net assets of the Company attributable to the Shareholders were made up to and when the financial statements of the OOIL Group had not been consolidated by the Company; (iii) the total amount of guarantees provided by the Company to its subsidiaries (exclusive of the Existing OOIL Guarantees) was RMB7.837 billion, representing approximately 37.92% of the audited net assets of the Company attributable to the Shareholders as at 31 December 2017. The Company has no overdue external guarantees.

Pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Articles of Association and other applicable rules and regulations, if (i) the total amount of external guarantees provided by the Group in any form to other parties (including the companies within the Group) exceeds 50% of the latest audited net assets of the Company attributable to the Shareholders; (ii) guarantees are provided to a company whose gearing ratio is more than 70%; or (iii) any provision of a single guarantee whose amount exceeds 10% of the latest audited net assets of the Company attributable to the Shareholders, any provision of additional guarantees shall require approval of the Shareholders.

Accordingly, the provision of any additional guarantees by the Group requires the approval of the Shareholders for the following reasons:

- (i) the total amount of external guarantees provided by the Group (exclusive of the Existing OOIL Guarantees) as at the date of this announcement was RMB12.196 billion, which exceeds 50% of the audited net assets of the Company attributable to the Shareholders as at 31 December 2017;
- (ii) the gearing ratio of each of COSCO SHIPPING Lines Co., Ltd.*, Newcontainer No.81 (Marshall Islands) Shipping Inc., Newcontainer No.86 (Marshall Islands) Shipping Inc., Containers No.2 Inc., Containers No.1 Inc., Newcontainer No.107 (Marshall Islands) Shipping Inc., Newcontainer No.88 (Marshall Islands) Shipping Inc. and Newcontainer No.103 (Marshall Islands) Shipping Inc., each being an entity to which guarantees are proposed to be provided and a subsidiary of the Company, exceeds 70%; and
- (iii) the amount of certain guarantees, on a standalone basis, exceeds 10% of the audited net assets of the Company attributable to the Shareholders as at 31 December 2017.

To meet the daily operational needs as well as investment and financing needs of the Group, the Board proposes to, subject to the approval of the Shareholders, increase the maximum amount of external guarantees to be provided by the Group under the Guarantees Mandate by US\$2.6 billion (exclusive of the US\$1.9 billion guarantees amount as approved by the Shareholders) or the equivalent amount in RMB (the “**Proposed Increase of Guarantees**”). The Proposed Increase of Guarantees will take effect from the date of the extraordinary general meeting of the Company approving the Proposed Increase of Guarantees up to the date of the annual general meeting of the Company for the year of 2018.

An ordinary resolution to approve the Proposed Increase of Guarantees will be proposed at the forthcoming extraordinary general meeting of the Company to be held on 30 October 2018 (the “**EGM**”). The notice of the EGM will be despatched to the Shareholders on or around 14 September 2018.

By Order of the Board
COSCO SHIPPING Holdings Co., Ltd.
Guo Huawei
Company Secretary

Shanghai, the People’s Republic of China
13 September 2018

As at the date of this announcement, the directors of the Company are XU Lirong¹ (Chairman), Mr. HUANG Xiaowen¹ (Vice Chairman), Mr. WANG Haimin¹, Mr. ZHANG Wei (張為)¹, Mr. FENG Boming², Mr. ZHANG Wei (張煒)², Mr. CHEN Dong², Mr. YANG, Liang Yee Philip³, Mr. WU Dawei³, Mr. ZHOU Zhonghui³ and Mr. TEO Siong Seng³.

¹ *Executive Director*

² *Non-executive Director*

³ *Independent non-executive Director*

* *For identification purpose only*