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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)

DECOMMISSIONING AND DISPOSAL OF VESSELS

This announcement is made by COSCO SHIPPING Holdings Co., Ltd.* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that pursuant to the plan for decommissioning of vessels in 2016 as approved in the meeting of the Board on 14 March 2016, the Group had disassembled eight container vessels (Luo Ba He, Jun He, Yue He, COSCO Qingdao, Wan He, Lu He, COSCO Ran and COSCO Sakura, collectively, the “**Vessels**”) during the fourth quarter of 2016. The Vessels, with the aggregate capacity of 409,914 deadweight tons, were disposed of as scrapped vessels to different purchasers, all of which are independent third parties of the Company, at a net consideration of approximately RMB212 million. Total net losses incurred from the disassembly of the Vessels amounted to approximately RMB638 million, which was unaudited.

COSCO Ran and COSCO Sakura were previously owned by COSCO (Cayman) Mercury Co., Ltd., a wholly-owned subsidiary of the Company, and the other six were previously owned by Shanghai Pan Asia Shipping Company Limited (上海泛亞航運有限公司), a wholly-owned subsidiary of the Company.

As a result of the decommissioning of the Vessels, the average age of vessels owned by the Company has decreased, while the oil saving level and overall environmental friendliness of the vessels have improved. The Board considers that the decommissioning of the Vessels is conducive to enhancing the overall operational competitiveness of the shipping fleet of the Company and is in the interest of the Company and the Shareholders as a whole.

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

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

As at the date of this announcement, the directors of the Company are Mr. WAN Min² (Chairman), Mr. HUANG Xiaowen¹ (Vice Chairman), Mr. Xu Zunwu¹, Mr. Ma Jianhua², Mr. Wang Haimin¹, Mr. Zhang Wei(張為)¹, Mr. Feng Boming², Mr. Zhang Wei (張煒)², Mr. Chen Dong², Dr. FAN HSU Lai Tai, Rita³, Mr. KWONG Che Keung, Gordon³, Mr. Peter Guy BOWIE³ and Mr. YANG, Liang Yee Philip³.

¹. *Executive Director*

². *Non-executive Director*

³. *Independent non-executive Director*

* *For identification purpose only*