中遠海運國際(香港)有限公司
COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 00517)

INSIDE INFORMATION ANNOUNCEMENT

This announcement is made by COSCO SHIPPING International (Hong Kong) Co., Ltd. (the "Company", together with its subsidiaries, collectively the "Group") pursuant to Rule 13.09(2) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

FILING FOR LIQUIDATION BY A SUPPLIER OF A SUBSIDIARY OF THE COMPANY AND INVESTIGATION BY THE SUBSIDIARY

The board of directors of the Company (the "Board" or the "Directors") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that the Company has noticed from media reports that Coastal Oil Singapore Pte Ltd ("Coastal Oil Singapore") has filed for liquidation as part of a creditors' voluntary winding up operation on 13 December 2018. Coastal Oil Singapore is a major supplier of Sinfeng Marine Services Pte. Ltd. ("Sinfeng"), which is an indirect wholly-owned subsidiary of the Company.

In addition, a number of third party commercial banks (collectively, the "Banks") have alleged to Sinfeng that Coastal Oil Singapore has assigned to the Banks receivables due and/or which would fall due from Sinfeng to Coastal Oil Singapore (collectively, the "Alleged Debts"). Pursuant to the alleged assignment of the Alleged Debts by Coastal Oil Singapore to the Banks, the Banks have demanded for repayment of the Alleged Debts by Sinfeng. Based on a preliminary assessment, the management of Sinfeng is of the view that the documents in relation to almost all of the Alleged Debts are not genuine.

As at the date of this announcement, Sinfeng is still in the process of conducting an investigation (the “Investigation”) and seeking professional advice in respect of the aforesaid matters.

INFORMATION ON SINFENG AND COASTAL OIL SINGAPORE

Sinfeng

Sinfeng is principally engaged in the supply and trading of marine fuel and related products with business network covering major oil ports such as Singapore and Malaysia.

According to the audited consolidated financial statements of the Group for the year ended 31 December 2017 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2018, (i) the revenue generated from the business operations of Sinfeng represented approximately 66% and 69% of the revenue of the Group for the same period, respectively; and (ii) the profit before income tax from the business operations of Sinfeng represented approximately 1.3% and 1.2% of the profit before income tax of the Group for the same period, respectively.

Coastal Oil Singapore

To the best knowledge, information and belief of the Directors and after making reasonable enquiries, Coastal Oil Singapore is principally engaged in global oil product supplying and blending. Coastal Oil Singapore is a major supplier of Sinfeng. For the year ended 31 December 2017 and the six months ended 30 June 2018, the purchase costs from Coastal Oil Singapore by Sinfeng represented approximately 94% and 93% of the total purchase costs of Sinfeng for the same period, respectively.

BUSINESS OPERATIONS OF SINFENG

The management of Sinfeng has been using its best endeavours to identify alternative suppliers to Coastal Oil Singapore and will conduct a review of the business operations of Sinfeng, taking into account various factors, including but not limited to the profitability of Sinfeng, the portfolio of customers and the developments of the Investigation.

The Board expects that the revenue of the Group will decrease significantly unless and until alternative suppliers to Coastal Oil Singapore are identified. However, in light of the insignificant profit contribution of Sinfeng, the Board currently does not foresee any material adverse impact on the Group as a result of the liquidation of Coastal Oil Singapore.

As the Investigation relates to events which involves a voluminous amount of information and documents, additional time is required for completing the Investigation. Further announcement(s) in relation to the progress of the abovementioned matters will be made by the Company as soon as practicable.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
COSCO SHIPPING International (Hong Kong) Co., Ltd.
Zhu Jianhui
Vice Chairman and Managing Director

Hong Kong, 4 January 2019

As at the date of this announcement, the Board comprises nine directors with Mr. Wang Yuhang[1] *(Chairman), Mr. Zhu Jianhui*[1] *(Vice Chairman and Managing Director), Mr. Ma Jianhua*[2]*, Mr. Feng Boming*[2]*, Mr. Chen Dong*[2]*, Mr. Liu Gang*[1]*, Mr. Tsui Yiu Wa, Alec*[3]*, Mr. Jiang, Simon X*[3]*, and Mr. Alexander Reid Hamilton*[3]*.*

[1] *Executive Director*

[2] *Non-executive Director*

[3] *Independent non-executive Director*