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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)**

**PROPOSED PROVISION OF  
GUARANTEES FOR WHOLLY-OWNED SUBSIDIARIES AND  
RELEVANT AUTHORIZATION TO THE BOARD**

**PROPOSED PROVISION OF GUARANTEES FOR WHOLLY-OWNED SUBSIDIARIES  
OF THE COMPANY AND RELEVANT AUTHORIZATION TO THE BOARD**

The Board proposes to table a resolution at the 2015 annual general meeting of the Company to approve the provision of guarantees for wholly-owned subsidiaries of the Company and the relevant authorization to the Board to consider and approve each guarantee within the approved cap. The term of the Proposed Authorization will be effective from 1 July 2016 until 30 June 2017.

Pursuant to the relevant requirements of the Shanghai Stock Exchange and the Articles of Association, the proposed provision of guarantees and the Proposed Authorization shall be subject to the approval of the shareholders of the Company.

**PROPOSED PROVISION OF GUARANTEES FOR WHOLLY-OWNED SUBSIDIARIES OF  
THE COMPANY AND RELEVANT AUTHORIZATION TO THE BOARD**

**1. Summary of the Guarantees**

The Board intends to table a resolution at the 2015 annual general meeting of the Company to approve (i) the provision of guarantee for CSCL HK (a wholly-owned subsidiary of the Company) by the Company in the amount not exceeding USD2,500 million or its equivalent in RMB in terms of the guarantee incurred, (ii) the provision of guarantee for CS Leasing (a wholly-owned subsidiary of the Company) by the Company in the amount not exceeding RMB6,000 million in terms of the balance of the guarantee, and (iii) the provision of guarantee for CS Leasing (a wholly-owned subsidiary of the Company) by CS Investment (a wholly-owned subsidiary of the Company) in the amount not exceeding RMB4,000 million in terms of the balance of the guarantee, all during the period of 1 July 2016 to 30 June 2017, and the authorization to the Board to consider and approve each guarantee within the approved cap. Details are as follows:

- (1) Provision of guarantees by the Company for CSCL HK and CS Leasing shall include the situations where:
  - (i) the debt to asset ratio of CSCL HK and the debt to asset ratio of CS Leasing exceed 70%, respectively;
  - (ii) the amount of a single guarantee exceeds 10% of the latest audited net assets of the Company;
  - (iii) the total amount of external guarantees provided by the Company and its subsidiaries exceeds 50% of the latest audited net assets of the Company;
  - (iv) the accumulated amount of guarantees provided by the Company exceeds 30% of the latest audited total assets of the Company, when aggregated with the amount of guarantees incurred in the preceding 12 consecutive months;
  - (v) the accumulated amount of guarantees provided by the Company exceeds 50% of the latest audited net assets of the Company and the absolute amount of guarantees exceeds RMB50 million, when aggregated with the amount of guarantees incurred in the preceding 12 consecutive months.
- (2) It shall be tabled at the 2015 annual general meeting of the Company to authorize the Board to consider and approve the matters in relation to each guarantee within the approved cap, including but not limited to the manner, type, term and amount of the guarantees. Apart from obtaining the approval of over 50% of all the Directors, approval by more than two-thirds of the Directors present at the relevant meeting of the Board when considering matters in relation to such guarantees shall also be obtained.
- (3) At the time of actual implementation, the Company will perform in accordance with the guarantee agreement to be entered into and comply with the relevant disclosure obligation.

This resolution was approved by the Board on 28 April 2016 and shall be tabled for shareholders' consideration at the 2015 annual general meeting of the Company.

## **2. Basic Information of the Entity to be Guaranteed**

- (1) CSCL HK, as one of the entities to be guaranteed in relation to the Proposed Authorization, is a wholly-owned subsidiary of the Company. It is principally engaged in international container transportation and its basic information is as follows:

Registered address:	31/F, Tower 2, Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong
Legal representative:	Zhao Hongzhou
Registered capital:	USD1,627.6 million and HKD1 million
Scope of business:	International container transportation

As at 31 December 2015 (audited figures), CSCL HK's total assets were USD5.421 billion (equivalent to RMB35.212 billion), net assets were USD834 million (equivalent to RMB5.417 billion), total liabilities were USD4.587 billion (equivalent to RMB29.794 billion), total current liabilities were USD1.936 billion (equivalent to RMB12.575 billion), total bank borrowings were USD4.277 billion (equivalent to RMB27.781 billion) and debt to asset ratio was 84.6%. Operating revenue for the year of 2015 was USD2.981 billion (equivalent to RMB19.363 billion) and net profit was USD-227 million (equivalent to RMB-1.474 billion).

- (2) CS Leasing, as one of the entities to be guaranteed in relation to the Proposed Authorization, is a wholly-owned subsidiary of the Company. It is principally engaged in finance leasing and leasing, purchasing leasing assets from vendors abroad, salvage value disposal and maintenance of the leasing assets, lease transaction consultation and guarantee, commerce consultation (excluding brokerage), investment management and financial management consultation (not permitted to act as bookkeeping agency). Its basic information is as follows:

Registered address:	Room 3E, No. 450 Fu Shan Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC
Legal representative:	Liu Chong
Registered capital:	RMB1,500 million
Scope of business:	Finance leasing and leasing, purchasing leasing assets from vendors abroad, salvage value disposal and maintenance of the leasing assets, lease transaction consultation and guarantee, commerce consultation (excluding brokerage), investment management and financial management consultation (not permitted to act as bookkeeping agency)

As at 31 December 2015 (audited figures), CS Leasing's total assets were RMB5.180 billion, net assets were RMB1.590 billion, total liabilities were RMB3.589 billion, total current liabilities were RMB2.260 billion, total bank borrowings were RMB1.056 billion and debt to asset ratio was 69.2%. Operating revenue for the year of 2015 was RMB224 million and net profit was RMB79 million.

### **3. Opinions of the Board**

The Board is of the view that the aforementioned matters in relation to provision of guarantees is in line with the operational development needs of the Company. Both entities to be guaranteed are wholly-owned subsidiaries of the Company, the guarantee-related risks can be effectively controlled and prevented and the interest of the Company will not therefore be impaired.

### **4. Shareholders' Approval**

Pursuant to the relevant requirements of the Shanghai Stock Exchange and the Articles of Association, the proposed provision of guarantees and the Proposed Authorization shall be subject to the approval of the shareholders of the Company.

## 5. The Accumulated Amount of Guarantees and the Amount of Overdue Guarantees of the Company

As at the date of this announcement, the accumulated amount of the balance of external guarantees provided by the Company and its controlled subsidiaries was USD1.769 billion and RMB2.96 billion (CS Investment has provided guarantee for CS Leasing in the amount of RMB2.96 billion in terms of the balance of the guarantee before the completion of the transfer of equity interests of CS Investment and CS Leasing in relation to the Restructuring), representing 25.41% of the Company's total assets and 65.17% of the Company's net assets as per its latest audited financial statements; and the accumulated amount of the balance of guarantees provided by the Company for its controlled subsidiaries was USD1.769 billion (equivalent to RMB11.49 billion), representing 20.2% of the Company's total assets and 51.82% of the Company's net assets as per its latest audited financial statements. Amount of overdue guarantees was nil.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“Company”	China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司), a joint stock limited company incorporated in the PRC, of which 3,751,000,000 H shares are listed on the Stock Exchange and 7,932,125,000 A shares are listed on the Shanghai Stock Exchange as at the date of this announcement
“CSCL HK”	China Shipping Container Lines (Hong Kong) Co., Ltd. (中海集裝箱運輸(香港)有限公司), a limited liability company incorporated in Hong Kong, which is wholly-owned by the Company as at the date of this announcement
“CS Investment”	China Shipping Investment Co. Ltd. (中海集團投資有限公司), a limited liability company incorporated in the PRC, which is a wholly-owned subsidiary acquired through the Restructuring by the Company as at the date of this announcement
“CS Leasing”	China Shipping Leasing Co., Ltd. (中海集團租賃有限公司), a limited liability company incorporated in the PRC, which is a wholly-owned subsidiary acquired through the Restructuring by the Company as at the date of this announcement
“Directors”	the directors of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People's Republic of China

“Proposed Authorization”	the proposed authorization for the Board to approve the provision of guarantees for CSCL HK and CS Leasing, details of which are set out in this announcement
“Restructuring”	a series of inter-conditional transactions under the proposed material assets restructuring plan which was approved at the extraordinary general meeting of the Company at 1 February 2016, mainly involving the Company and China COSCO Holdings Company Limited, including transactions contemplated under (1) the Equity Acquisition Agreements; (2) the Equity Sales Agreements; and (3) the Assets Lease Framework Agreement. For more details, please refer to the circular of the Company dated 31 December 2015.
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“USD”	United States dollars, the lawful currency of the United States
“%”	per cent

*Unless otherwise specified, conversion of USD into RMB is based on the exchange rate of USD1.00: RMB6.4954.*

By Order of the Board  
**China Shipping Container Lines Company Limited**  
**Yu Zhen**  
*Joint Company Secretary*

Shanghai, the People’s Republic of China  
28 April 2016

*The Board as at the date of this announcement comprises of Mr. Zhang Guofa, Mr. Huang Xiaowen and Mr. Zhao Hongzhou, being executive Directors, Mr. Ding Nong, Mr. Yu Zenggang, Mr. Yang Jigui, Mr. Han Jun and Mr. Chen Jihong, being non-executive Directors, and Ms. Zhang Nan, Mr. Guan Yimin, Mr. Shi Xin, 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 “China Shipping Container Lines Company Limited”.*