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

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 02866)**

## **PROPOSED GRANT OF GENERAL MANDATE TO ISSUE CORPORATE BONDS**

### **INTRODUCTION**

On 28 May 2020, the board (the “**Board**”) of directors (the “**Directors**”) of COSCO SHIPPING Development Co., Ltd. (the “**Company**”) resolved to propose to the shareholders of the Company (the “**Shareholders**”) at the forthcoming annual general meeting of the Company (the “**AGM**”) for the grant of a general mandate to the Board to handle all matters in connection with the issuance of corporate bonds (the “**Proposed Grant of General Mandate to Issue Corporate Bonds**”), in order to satisfy the needs of business development, optimize the debt structure and improve the efficiency of decision making of the Company.

### **PROPOSED GRANT OF GENERAL MANDATE TO ISSUE CORPORATE BONDS**

The principal terms of the Proposed Grant of General Mandate to Issue Corporate Bonds are set out below:

- Issuer:** The Company or its wholly-owned subsidiaries shall be the issuer of the domestic corporate bonds.
- Issue size:** The aggregate outstanding balance of the corporate bonds shall not be more than 50% of the consolidated net assets of the Group based on its latest financial statements, and the specific issue size of the corporate bonds shall be in compliance with the relevant requirements under the applicable laws and regulations in relation to the maximum amount of issuance and various risk control indicators.
- Term:** The term of the corporate bonds shall not be more than 10 years.
- The specific term and size shall be determined in accordance with the applicable laws and regulations and the prevailing market conditions at the time of issuance.

<b>Interest rate:</b>	<p>The corporate bonds shall carry a fixed interest rate.</p> <p>The interest rate and the method of calculation and payment shall be determined through negotiation with the underwriter(s) (if any) in accordance with the then prevailing market conditions at the time of issuance and the applicable laws and regulations as appropriate.</p>
<b>Guarantee and other credit enhancement arrangements:</b>	<p>Guarantee and other credit enhancement arrangements shall be determined in accordance with the applicable laws and regulations based on the features of the corporate bonds and requirements of the issuance.</p>
<b>Use of proceeds:</b>	<p>The proceeds from the issuance of the corporate bonds will be primarily used for the adjustments of the debt structure of the Company and the repayment of maturing indebtedness and for purposes permitted under the applicable laws and regulations and/or the regulatory authorities. If the relevant regulatory authorities provides for specific provisions on the use of proceeds, the requirements of the regulatory authorities shall be complied with.</p>
<b>Issue price:</b>	<p>The issue price shall be determined in accordance with the prevailing market conditions at the time of issuance and the applicable laws and regulations.</p>
<b>Target investors:</b>	<p>The target investors of the corporate bonds shall be qualified domestic and foreign institutional investors, individual investors and/or other professional investors. The specific target investors shall be determined in accordance with the applicable laws and regulations and the prevailing market conditions and specific plan of the issuance.</p>
<b>Safeguard measures for repayment:</b>	<p>If it is expected that the repayment of the principal and interest of the corporate bonds may not be made on time or cannot be made on time when due, the following measures shall at least be taken:</p> <ol style="list-style-type: none"> <li>1. profit distribution shall not be made to the Shareholders;</li> <li>2. the capital expenditure projects such as major external investment, acquisitions and mergers shall be suspended;</li> <li>3. the payment of salaries and bonuses to the Directors and senior management personnel shall be reduced or suspended; and</li> <li>4. key responsible personnel shall not be transferred to other posts.</li> </ol> <p>If the applicable laws and regulations and/or the regulatory authorities provide for requirements on safeguard measures for repayment of debt financing instruments, the requirements of the applicable laws and regulations and/or the regulatory authorities shall be complied with.</p>

**Validity period of the authorization:**

The validity period of the authorization shall be until 30 June 2021.

If the Board has decided to issue the corporate bonds within the abovementioned validity period and approval, permission or registration in respect of the issuance has already been obtained from the regulatory authorities within such validity period, the Company may complete the issuance within the effective period of such approval, permission or registration.

It is proposed to the Shareholders at the AGM to authorise the Board, generally and unconditionally, to deal with the following in accordance with the specific needs of the Company and market conditions:

1. to determine the issuer, specific terms, conditions and other matters of the corporate bonds (including but not limited to specific issue size, maturity, type, interest rate and the determination method thereof, place of issuance, timing of issuance, term, whether to issue in tranches and the number of tranches, whether to include sale back and redemption terms, rating arrangements, guarantee matters and other arrangements, term for repayment of principal and interest, use of proceeds, underwriting arrangements and other issues relating to the issuance);
2. to determine to engage intermediaries to assist the Company in handling the application for the issuance of the corporate bonds and the listing related matters;
3. to appoint the trustee manager of the corporate bonds, enter into bond trustee management agreement and formulate rules for the meeting of bondholders in connection with the corporate bonds;
4. to formulate, approve, authorize, sign, execute, amend and complete all necessary documents, contracts, agreements and covenants (including but not limited to underwriting agreement(s), bond trustee management agreement(s), listing agreement(s) and other legal documents) which are necessary for the issuance and listing of the corporate bonds, and to make corresponding supplements or adjustments to the application documents as required by the regulatory authorities;
5. to deal with, upon completion of the issuance of the corporate bonds, issues in relation to the listing of the corporate bonds and the repayment of principal and interest;
6. in the event of any changes in the issuance policies of the regulatory authorities or the market conditions, except for matters required by the applicable laws and regulations and the articles of association of the Company to be approved at the general meeting of the Company, within the authorization scope of the Board, to make corresponding adjustments to the specific proposal and other related matters in accordance with the opinion of the regulatory authorities or the prevailing market conditions;
7. to approve, execute and issue announcements and circulars in relation to the issuance and related disclosure in accordance with applicable regulatory rules of the place of listing of the shares of the Company;
8. to handle other matters relating to the issuance of the corporate bonds; and

9. to determine to delegate certain specific matters set forth above to other management personnel of the Company as the Board considers appropriate.

## **GENERAL**

The Proposed Grant of General Mandate to Issue Corporate Bonds is subject to the approval of the Shareholders by way of special resolution at the AGM.

A circular containing, among other things, further details of the Proposed Grant of General Mandate to Issue Corporate Bonds and a notice convening the AGM will be despatched to the Shareholders in due course.

By order of the Board  
**COSCO SHIPPING Development Co., Ltd.**  
**Cai Lei**  
*Joint Company Secretary*

Shanghai, the People's Republic of China  
28 May 2020

*As at the date of this announcement, the Board comprises Mr. Wang Daxiong, Mr. Liu Chong and Mr. Xu Hui, being executive directors, Mr. Feng Boming, Mr. Huang Jian and Mr. Liang Yanfeng, being non-executive directors, and Mr. Cai Hongping, Ms. Hai Chi Yuet, Mr. Graeme Jack, Mr. Lu Jianzhong and Ms. Zhang Weihua, being independent non-executive directors.*

\* *The Company is a registered non-Hong Kong company as defined under 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."*