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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer and other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in COSCO SHIPPING Development Co., Ltd., you should at once hand this circular and the Form of Proxy to the purchaser or the transferee or to licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

- (1) 2019 REPORT OF THE BOARD**
- (2) 2019 REPORT OF THE SUPERVISORY COMMITTEE**
- (3) 2019 WORK REPORT OF INDEPENDENT DIRECTORS**
- (4) 2019 FINANCIAL STATEMENTS AND AUDITORS' REPORT**
- (5) 2019 ANNUAL REPORT**
- (6) 2019 PROFIT DISTRIBUTION PLAN**
- (7) REMUNERATION OF DIRECTORS AND SUPERVISORS  
FOR THE YEAR 2020**
- (8) RE-APPOINTMENT OF DOMESTIC AUDITOR,  
INTERNAL CONTROL AUDITOR AND INTERNATIONAL AUDITOR  
FOR THE YEAR 2020**
- (9) PROVISIONS OF GUARANTEES**
- (10) PROPOSED GRANT OF GENERAL MANDATE TO ISSUE  
CORPORATE BONDS  
AND**
- (11) NOTICE OF AGM**

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Capitalised terms used in this cover shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 6 to 18 of this circular.

The Notice of AGM convening the AGM to be held at 1:30 p.m. on Monday, 29 June 2020 at Level 3, Ocean Hotel Shanghai, 1171 Dong Da Ming Road, Hong Kou District, Shanghai, the PRC is set out on pages AGM-1 to AGM-4 of this circular.

\* *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 "COSCO SHIPPING Development Co., Ltd."*

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“A Share(s)”	the domestic share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“A Shareholder(s)”	holder(s) of A Share(s)
“AGM”	the forthcoming annual general meeting of the Company to be convened at 1:30 p.m. on Monday, 29 June 2020 at Level 3, Ocean Hotel Shanghai, 1171 Dong Da Ming Road, Hong Kou District, Shanghai, the People’s Republic of China (or any adjournment thereof) to consider and, if thought fit, approve the resolutions contained in the Notice of AGM
“Articles of Association”	the articles of association of the Company, as amended and adopted from time to time
“Board”	the board of directors of the Company
“Company”	COSCO SHIPPING Development Co., Ltd.* (中遠海運發展股份有限公司), a joint stock limited company established in the PRC, the H shares and A shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2866) and the Shanghai Stock Exchange (Stock Code: 601866), respectively
“Computershare”	Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“COSCO SHIPPING HK”	COSCO SHIPPING Development (Hong Kong) Co., Ltd. (中遠海運發展(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“COSCO SHIPPING Leasing”	COSCO SHIPPING Leasing Co., Ltd.# (中遠海運租賃有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company

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## DEFINITIONS

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“COSCO SHIPPING Tianjin”	COSCO SHIPPING Development (Tianjin) Leasing Co., Ltd. <sup>#</sup> (中遠海發(天津)租賃有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“CS Investment”	China Shipping Investment Co., Ltd. <sup>#</sup> (中海集團投資有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“DFIC Guangzhou”	Dong Fang International Container (Guangzhou) Co., Ltd. <sup>#</sup> (東方國際集裝箱(廣州)有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“DFIC HK”	Dong Fang International Container (Hong Kong) Co., Ltd. (東方國際集裝箱(香港)有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“DFIC Jinzhou”	Dong Fang International Container (Jinzhou) Co., Ltd. <sup>#</sup> (東方國際集裝箱(錦州)有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“DFIC Lianyungang”	Dong Fang International Container (Lianyungang) Co., Ltd. <sup>#</sup> (東方國際集裝箱(連雲港)有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“FIL”	Florens International Limited (佛羅倫國際有限公司), a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company

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## DEFINITIONS

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“Florens Maritime”	Florens Maritime Limited, a company incorporated under the laws of Bermuda with limited liability and an indirect wholly-owned subsidiary of the Company
“Form of Proxy”	the form of proxy of the Company in respect of the resolutions set out in the Notice of AGM
“Group”	the Company and its subsidiaries
“Guaranteed Wholly-owned Subsidiaries”	collectively, COSCO SHIPPING HK, COSCO SHIPPING Leasing, Haihui Commercial, COSCO SHIPPING Tianjin, Florens Maritime, Oriental Fleet, DFIC Jinzhou, DFIC Guangzhou, DFIC Lianyungang, Shanghai Universal, DFIC HK and Oriental Fleet LNG 01
“H Share(s)”	the overseas listed foreign shares in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Share(s)
“Haihui Commercial”	Haihui Commercial Factoring (Tianjin) Co., Ltd. <sup>#</sup> (海匯商業保理(天津)有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Notice of AGM”	the notice of the AGM dated 28 May 2020, which is set out on AGM-1 to AGM-4 of this circular

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## DEFINITIONS

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“Oriental Fleet”	Oriental Fleet International Co., Ltd. (東方富利國際有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Oriental Fleet LNG 01”	Oriental Fleet LNG 01 Limited (東方富利LNG01有限公司), a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Overseas Regulatory Announcement”	the overseas regulatory announcement of the Company dated 28 May 2020 in relation to the Provisions of Guarantees
“PRC”	the People’s Republic of China which for the purposes of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Grant of General Mandate to Issue Corporate Bonds”	the proposed grant of a general mandate to the Board to handle all matters in connection with the issuance of corporate bonds
“Provisions of Guarantees”	the proposed provisions of guarantees in the aggregate amounts of not exceeding RMB18.6 billion and US\$4.9 billion for the Guaranteed Wholly-owned Subsidiaries and the relevant authorisation to the Board, further details of which are set out in the Overseas Regulatory Announcement
“Register of Members”	the register of H Shares members of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Universal”	Shanghai Universal Logistics Equipment Co., Ltd. <sup>#</sup> (上海寰宇物流裝備有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

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## DEFINITIONS

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“US\$” United States dollar, the lawful currency of the United States of America

“%” per cent

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# *For identification purposes only.*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Wang Daxiong  
Mr. Liu Chong  
Mr. Xu Hui

*Non-executive Directors:*

Mr. Feng Boming  
Mr. Huang Jian  
Mr. Liang Yanfeng

*Independent Non-executive Directors:*

Mr. Cai Hongping  
Ms. Hai Chi Yuet  
Mr. Graeme Jack  
Mr. Lu Jianzhong  
Ms. Zhang Weihua

*Legal address in the PRC:*

Room A – 538  
International Trade Center  
China (Shanghai) Pilot Free Trade Zone  
Shanghai  
The PRC

*Principal place of business in the PRC:*

5299 Binjiang Dadao  
Pudong New District  
Shanghai  
The PRC

*Principal place of business in Hong Kong:*

50/F, COSCO Tower  
183 Queen's Road Central  
Hong Kong

28 May 2020

*To the Shareholders*

Dear Sir/Madam,

- (1) 2019 REPORT OF THE BOARD**
- (2) 2019 REPORT OF THE SUPERVISORY COMMITTEE**
- (3) 2019 WORK REPORT OF INDEPENDENT DIRECTORS**
- (4) 2019 FINANCIAL STATEMENTS AND AUDITORS' REPORT**
- (5) 2019 ANNUAL REPORT**
- (6) 2019 PROFIT DISTRIBUTION PLAN**
- (7) REMUNERATION OF DIRECTORS AND SUPERVISORS  
FOR THE YEAR 2020**
- (8) RE-APPOINTMENT OF DOMESTIC AUDITOR,  
INTERNAL CONTROL AUDITOR AND INTERNATIONAL AUDITOR  
FOR THE YEAR 2020**
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- (10) PROPOSED GRANT OF GENERAL MANDATE TO ISSUE  
CORPORATE BONDS  
AND**
- (11) NOTICE OF AGM**

### **I. INTRODUCTION**

The purpose of this circular is to provide you with, among other things, information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM.



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## LETTER FROM THE BOARD

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At the AGM, ordinary resolutions will be proposed to approve:

- (i) the report of the Board for the year ended 31 December 2019;
- (ii) the report of the Supervisory Committee for the year ended 31 December 2019;
- (iii) the work report of the independent non-executive Directors for the year ended 31 December 2019;
- (iv) the audited financial statements and the auditors' report of the Group for the year ended 31 December 2019;
- (v) the annual report of the Company for the year ended 31 December 2019;
- (vi) the proposed profit distribution plan of the Company and the proposed payment of a final dividend of RMB0.045 per Share (inclusive of applicable tax) for the year ended 31 December 2019;
- (vii) the remuneration of the Directors and the Supervisors for the year 2020; and
- (viii) the re-appointment of the domestic auditor, the internal control auditor and the international auditor of the Company for the year 2020.

At the AGM, special resolutions will be proposed to approve:

- (i) the Proposed Grant of General Mandate to Issue Corporate Bonds; and
- (ii) the Provisions of Guarantees.

## **II. REPORT OF THE BOARD FOR THE YEAR ENDED 31 DECEMBER 2019**

An ordinary resolution will be proposed at the AGM to approve the report of the Board for the year ended 31 December 2019.

The report of the Board for the year ended 31 December 2019 was considered and approved by the Board on 27 March 2020 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

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## **LETTER FROM THE BOARD**

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### **III. REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2019**

An ordinary resolution will be proposed at the AGM to approve the report of the Supervisory Committee for the year ended 31 December 2019. The full text of the aforesaid report of the Supervisory Committee is set out in the annual report of the Company which has been despatched to the Shareholders on 27 April 2020.

The report of the Supervisory Committee for the year ended 31 December 2019 was considered and approved by the Supervisory Committee on 27 March 2020 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

### **IV. WORK REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019**

An ordinary resolution will be proposed at the AGM to approve the work report of the independent Directors for the year ended 31 December 2019. The full text of the English translation of the aforesaid report of the independent non-executive Directors is set out in Appendix I to this circular. In the event of any discrepancy between the English translation and the Chinese version of the document, the Chinese version shall prevail.

The work report of the independent non-executive Directors for the year ended 31 December 2019 was considered and approved by the Board on 27 March 2020 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

### **V. AUDITED FINANCIAL STATEMENTS AND AUDITORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

An ordinary resolution will be proposed at the AGM to approve the audited financial statements and the auditors' report of the Group for the year ended 31 December 2019. The full text of the aforesaid financial statements and auditors' report is set out in the annual report of the Company which has been despatched to the Shareholders on 27 April 2020.

The audited financial statements and the auditors' report of the Group for the year ended 31 December 2019 was considered and approved by the Board on 27 March 2020 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

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## LETTER FROM THE BOARD

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### **VI. 2019 ANNUAL REPORT**

An ordinary resolution will be proposed at the AGM to approve the annual report of the Company for the year ended 31 December 2019. The aforesaid annual report has been despatched to the Shareholders and also published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://development.coscoshipping.com>) on 27 April 2020.

The 2019 annual report was considered and approved by the Board on 27 March 2020 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

### **VII. 2019 PROFIT DISTRIBUTION PLAN**

#### **1. Proposed payment of a final dividend**

An ordinary resolution will be proposed at the AGM to approve the proposed profit distribution plan of the Company for the year ended 31 December 2019 in accordance with the Articles of Association.

As at 31 December 2019, the retained earnings of the Company calculated under the PRC accounting standards was approximately RMB934 million. The Board proposed the payment of a final dividend of RMB0.045 per Share (inclusive of applicable tax) for the year ended 31 December 2019.

The final dividend will be paid to A Shareholders and domestic investors investing in H Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect in RMB and to H Shareholders in HK\$. The actual amount of final dividend to be distributed and paid to H Shareholders in HK\$ will be calculated in accordance with the average middle exchange rate for RMB to HK\$ as quoted by the People's Bank of China for the period of one week before the announcement of the final dividend, being the date of the AGM (subject to the approval by the Shareholders). It is expected that the final dividend in respect of the H Shares will be distributed and paid on or around 18 August 2020.

The 2019 profit distribution plan was considered and approved by the Board on 27 March 2020 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

#### **2. Enterprise income tax**

According to the Law on Corporate Income Tax of the People's Republic of China and the relevant implementation rules which came into effect on 1 January 2008, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividends for the year ended 31 December 2019 to non-resident enterprise shareholders as appearing on the Register of Members. Any Shares not registered in the name of an individual

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## LETTER FROM THE BOARD

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person, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and will therefore be subject to the withholding of the corporate income tax. After receiving the final dividends, non-resident enterprise shareholders may apply, personally or by proxy, to provide materials to the competent taxation authorities proving their eligibility to be the actual beneficiaries under the taxation agreements (arrangement) to enjoy tax refund.

### **3. Individual income tax**

Pursuant to the requirements of Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (Cai Shui Zi [1994] No. 020) (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)), individual foreigners are exempted from individual income tax on dividends and bonus received from foreign-invested enterprises in the PRC. As the Company is a foreign-invested joint stock limited company, individual H Shareholders whose names appeared on the Register of Members are not required to pay the individual income tax of the PRC.

### **4. Profit distribution for domestic investors investing in H Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect**

#### *Shanghai-Hong Kong Stock Connect*

For domestic investors (including enterprises and individuals) investing in the H Shares through the Shanghai Stock Exchange, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the H Shareholders through Shanghai-Hong Kong Stock Connect, will receive the final dividends paid by the Company and further distribute the final dividends to the relevant investors of H Shares through Shanghai-Hong Kong Stock Connect through its depository and clearing system.

The final dividends will be paid to investors investing in the H Shares through Shanghai-Hong Kong Stock Connect in RMB. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Caishui [2014] No. 81) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC:

- (i) for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the relevant H share listed company shall withhold and pay individual income tax payable by such mainland individual investors at the rate of 20% on their behalf;

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## LETTER FROM THE BOARD

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- (ii) for dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, individual income tax payable by such mainland securities investment funds shall be withheld and paid by the relevant H share listed company in the same manner as stated in paragraph (i) above; and
- (iii) for dividends received by mainland enterprise investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the relevant H share listed company shall not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the income tax themselves.

### *Shenzhen-Hong Kong Stock Connect*

For domestic investors (including enterprises and individuals) investing in the H Shares through the Shenzhen Stock Exchange, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the H Shareholders through Shenzhen-Hong Kong Stock Connect, will receive the final dividends paid by the Company and further distribute the final dividends to the relevant investors of H Shares through Shenzhen-Hong Kong Stock Connect through its depository and clearing system.

The final dividends will be paid to investors investing in the H Shares through Shenzhen-Hong Kong Stock Connect in RMB. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)):

- (i) for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the relevant H share listed company shall withhold and pay individual income tax payable by such mainland individual investors at the rate of 20% on their behalf;
- (ii) for dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, individual income tax payable by such mainland securities investment funds shall be withheld and paid by the relevant H share listed company in the same manner as stated in paragraph (i) above; and
- (iii) for dividends received by mainland enterprise investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the relevant H share listed company shall not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the income tax themselves.

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## LETTER FROM THE BOARD

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The record date, the date of distribution and other arrangements in relation to the payment of the final dividends to domestic investors investing in the H Shares through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect will be the same as those for the H Shareholders.

### **5. To qualify for the proposed final dividend for the year ended 31 December 2019**

For the purpose of determining the H Shareholders' entitlement to the proposed final dividend for the year ended 31 December 2019, the Register of Members will be closed from 30 July 2020 to 4 August 2020 (both days inclusive), during which period no transfer of H Shares of the Company will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on 4 August 2020 are entitled to receive the proposed final dividend. In order to qualify for the proposed final dividend, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 29 July 2020.

### **VIII. REMUNERATION OF DIRECTORS AND SUPERVISORS FOR THE YEAR 2020**

An ordinary resolution will be proposed at the AGM to approve the remuneration of the Directors and the Supervisors for the year 2020, details of which are as follows:

- (i) the Directors and the Supervisors nominated by the controlling shareholders shall receive no remuneration from the Company;
- (ii) the Directors and the employee Supervisors who are employed as management or non-management personnel of the Company shall receive remuneration after assessment based on the remuneration standard of their position, and shall receive no additional remuneration as a Director or an employee Supervisor; and
- (iii) the remuneration standard for the onshore independent Directors is RMB150,000 per year (before tax). The remuneration standard for the offshore independent Directors is RMB300,000 per year (before tax).

The abovementioned resolution in relation to the remuneration of the Directors and Supervisors was considered and approved by the Board on 27 March 2020 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

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## LETTER FROM THE BOARD

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### IX. RE-APPOINTMENT OF DOMESTIC AUDITOR, INTERNAL CONTROL AUDITOR AND INTERNATIONAL AUDITOR FOR THE YEAR 2020

Each of the following ordinary resolutions will be proposed at the AGM to approve the re-appointment of the domestic auditor, the internal control auditor and the international auditor of the Company, details of which are as follows:

- (i) to re-appoint ShineWing Certified Public Accountants as the Company's domestic auditor for the year of 2020, with remuneration of RMB5,280,000 (inclusive of applicable tax);
- (ii) to re-appoint ShineWing Certified Public Accountants as the Company's internal control auditor for the year of 2020, with remuneration of RMB920,000 (inclusive of applicable tax); and
- (iii) to re-appoint Ernst & Young, Hong Kong Certified Public Accountants as the international auditor of the Company for the year of 2020, with remuneration of RMB8,250,000 (inclusive of applicable tax).

The abovementioned resolutions in relation to the re-appointment of the domestic auditor, the internal control auditor and the international auditor of the Company for the year of 2020 were considered and approved by the Board on 27 March 2020 and will be submitted, by way of ordinary resolutions, for the Shareholders' consideration and approval at the AGM.

### X. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE CORPORATE BONDS

As disclosed in the announcement of the Company dated 28 May 2020, on 28 May 2020, the Board resolved to propose to the Shareholders at the AGM for the grant of a general mandate to the Board to handle all matters in connection with the issuance of 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.

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

- |                    |   |
|--------------------|---|
| <b>Issuer:</b>     | The Company or its wholly-owned subsidiaries shall be the issuer of the domestic corporate bonds.   |
| <b>Issue size:</b> | 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. |

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## LETTER FROM THE BOARD

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- 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.
- Interest rate:** The corporate bonds shall carry a fixed interest rate.
- 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.
- Guarantee and other credit enhancement arrangements:** 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.
- Use of proceeds:** 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.
- Issue price:** The issue price shall be determined in accordance with the prevailing market conditions at the time of issuance and the applicable laws and regulations.
- Target investors:** 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.
- Safeguard measures for repayment:** 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:
- (i) profit distribution shall not be made to the Shareholders;



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## LETTER FROM THE BOARD

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- (ii) the capital expenditure projects such as major external investment, acquisitions and mergers shall be suspended;
- (iii) the payment of salaries and bonuses to the Directors and senior management personnel shall be reduced or suspended; and
- (iv) key responsible personnel shall not be transferred to other posts.

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.

**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:

- (i) 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);
- (ii) 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;
- (iii) 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;

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- (iv) 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;
- (v) 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;
- (vi) 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 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;
- (vii) 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;
- (viii) to handle other matters relating to the issuance of the corporate bonds; and
- (ix) to determine to delegate certain specific matters set forth above to other management personnel of the Company as the Board considers appropriate.

The resolution in relation to the Proposed Grant of General Mandate to Issue Corporate Bonds will be submitted, by way of special resolution, for the Shareholders' consideration and approval at the AGM.

### **XI. PROVISIONS OF GUARANTEES**

As disclosed in the Overseas Regulatory Announcement, on 28 May 2020, the Board resolved that the Company, CS Investment, Oriental Fleet and FIL shall provide the following guarantees for the Guaranteed Wholly-owned Subsidiaries and the Company in the aggregate amounts of not exceeding RMB18.6 billion and US\$4.9 billion during the period from 1 July 2020 to 30 June 2021 and the relevant authorisation shall be given to the Board to consider and approve each guarantee within the approved cap, including but not limited to the manner, type, term and amount of the guarantees:

- (i) the provision of guarantee for COSCO SHIPPING HK by the Company in the amount of not exceeding US\$3.2 billion;

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- (ii) the provision of guarantee for COSCO SHIPPING Leasing by the Company in the amount of not exceeding RMB9 billion;
- (iii) the provision of guarantee for COSCO SHIPPING Leasing by CS Investment in the amount of not exceeding RMB3.5 billion;
- (iv) the provision of guarantee for Haihui Commercial by the Company in the amount of not exceeding RMB1.2 billion;
- (v) the provision of guarantee for COSCO SHIPPING Tianjin by the Company in the amount of not exceeding RMB1.5 billion;
- (vi) the provision of guarantee for Florens Maritime by the Company in the amount of not exceeding US\$500 million;
- (vii) the provision of guarantee for Oriental Fleet by the Company in the amount of not exceeding US\$600 million;
- (viii) the provision of guarantee for DFIC Jinzhou by the Company in the amount of not exceeding RMB300 million;
- (ix) the provision of guarantee for DFIC Guangzhou by the Company in the amount of not exceeding RMB300 million;
- (x) the provision of guarantee for DFIC Lianyungang by the Company in the amount of not exceeding RMB300 million;
- (xi) the provision of guarantee for DFIC HK by CS Investment in the amount of not exceeding US\$200 million;
- (xii) the provision of guarantee for Oriental Fleet LNG 01 by Oriental Fleet in the amount of not exceeding US\$100 million;
- (xiii) the provision of guarantee for Shanghai Universal by the Company in the amount of not exceeding RMB2.5 billion; and
- (xiv) the provision of guarantee for Florens Maritime by FIL in the amount of not exceeding US\$300 million.

Pursuant to the relevant requirements under relevant PRC laws and regulations and the Articles of Association, the Provisions of Guarantees shall be subject to the approval of the Shareholders.

The resolution in relation to the Provisions of Guarantees will be submitted, by way of special resolution, for the Shareholders' consideration and approval at the AGM.

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### XII. THE AGM

The AGM will be held at 1:30 p.m. on Monday, 29 June 2020 at Level 3, Ocean Hotel Shanghai, 1171 Dong Da Ming Road, Hong Kou District, Shanghai, the PRC, for the Shareholders to consider and, if thought fit, approve the abovementioned resolutions. The abovementioned resolutions will be proposed by way of ordinary and special resolutions at the AGM to be approved by the Shareholders. The voting in relation to such resolutions will be conducted by way of poll.

The Notice of AGM, which contains the resolutions to be proposed at the AGM, is set out on pages AGM-1 to AGM-4 of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the resolutions to be proposed at the AGM, and therefore no Shareholder is required to abstain from voting at the AGM for such resolutions.

For the H Shareholders, the Form of Proxy should be returned to Computershare, the H Share registrar of the Company, by hand or by post not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof.

Completion and return of the Form of Proxy will not preclude a Shareholder from attending and voting in person at the AGM or at any adjourned meeting thereof should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

### XIII. RECOMMENDATION

The Board considers that the abovementioned resolutions are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of these resolutions to be proposed at the AGM.

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

\* *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 "COSCO SHIPPING Development Co., Ltd."*

*The English translation is for reference only. In the event of any discrepancy between the English translation and the Chinese version of the document, the Chinese version shall prevail.*

According to the laws and regulations including the Company Law, the Securities Law, Guiding Opinions on the Establishment of Independent Directors System in Listed Companies and the relevant provisions of the Articles of Association and the Work System for Independent Directors, and under the Guidelines on the Format of Work Report of Independent Directors issued by the Shanghai Stock Exchange, we, as the independent Directors of COSCO SHIPPING Development Co., Ltd. (the “Company”), have prepared the 2019 Work Report of Independent Directors as follows:

## **I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTORS**

### **(1) Personal working experience, professional background and part-time engagement**

Members of the fifth session of the Board of the Company comprise Mr. Cai Hongping, Ms. Hai Chi Yuet, Mr. Graeme Allan Jack, Mr. Lu Jianzhong, Ms. Zhang Weihua and Mr. Gu Xu as independent Directors, and the Company undertook a re-election for the Board in August 2019. Members of the sixth session of the Board of the Company comprise Mr. Cai Hongping, Ms. Hai Chi Yuet, Mr. Graeme Allan Jack, Mr. Lu Jianzhong and Ms. Zhang Weihua as independent Directors, whose personal working experience, professional background and part-time engagement are as follows:

#### ***Mr. Cai Hongping*** (蔡洪平)

Born in 1954, Mr. Cai is currently a non-executive Director of the Company, an independent non-executive director of China Eastern Airlines Corporation Limited, which was listed on the Shanghai Stock Exchange with the stock code SH600115 and the Hong Kong Stock Exchange with the stock code HK0670, an independent non-executive director of Shanghai Pudong Development Bank Co. Ltd., which was listed on the Shanghai Stock Exchange with the stock code SH600000, an external director of China National Machinery Industry Corporation, and the chairman of AGIC Capital. He worked for the Industrial and Transportation Management Committee of the Shanghai Government and Shanghai Petrochemical (Sinopec Shanghai Petrochemical Company Limited, listed on the Hong Kong Stock Exchange under the stock code 338, listed on the Shanghai Stock Exchange under the stock code 600688 and listed on the New York Stock Exchange under the stock code SHI) from 1987 to 1991, and participated in the entire process of the listing of the first batch of H shares of Shanghai Petrochemical in Hong Kong and the United States. From 1992 to 1996, he acted as a member of the Overseas Listing Guidance Team for Chinese Enterprises under the Economic Restructuring Committee of the State Council and the chairman of the Joint Committee of Board Secretaries for H Share Companies in China. From 1996 to 1997, he was the general manager of the investment banking division of Peregrine Asia. He served as a joint director of the investment banking division of BNP Paribas Peregrine Asia from 1997 to

2006, the chairman of the investment banking division of UBS AG in Asia from 2006 to 2010, and the executive chairman of Deutsche Bank in the Asia Pacific region from 2010 to 2015. Mr. Cai served as an independent director of each of Minmetals Development Co., Ltd. (listed on the Shanghai Stock Exchange under the stock code 600058) and China Oceanwide Holdings Limited (listed on Hong Kong Stock Exchange under the stock code HK0715). Mr. Cai, a Hong Kong citizen, has a bachelor's degree and graduated from Fudan University in Shanghai majoring in journalism.

***Ms. Hai Chi Yuet (奚治月)***

Born in 1954, Ms. Hai is currently an independent non-executive Director of the Company. She has over 30 years of extensive working experience in the shipping logistics industry. Since 2016, she has served as the advisor to Hutchison Port Holdings Limited. Ms. Hai served as the managing director of COSCO-HIT Terminals (Hong Kong) Limited, the managing director of Yantian International Container Terminals Limited, the chief executive officer of Hutchison Port Holdings Trust (“HPH Trust”) and the advisor to Hutchison Port Holdings Limited. Ms. Hai also participates in public service organizations, including being a member of the Election Committee for the Chief Executive of Hong Kong Special Administrative Region (Transport Subsector). She also served as a member of Hong Kong Port Development Advisory Group and the president of Shenzhen Ports Association. In 2011, Ms. Hai was awarded the title of Shenzhen Honorable Citizen. Ms. Hai graduated from York University, Toronto, Canada and the University of Hong Kong, obtaining a bachelor's degree in business administration and a master's degree in Buddhist studies respectively.

***Mr. Graeme Allan Jack***

Born in 1950, Mr. Graeme Allan Jack is currently an independent non-executive Director of COSCO SHIPPING Development Co., Ltd.. He has more than 40 years of experience in finance and auditing. He worked in PricewaterhouseCoopers for 33 years and retired as a partner. Apart from the Company, he is also currently an independent non-executive director of each of The Greenbrier Companies, Inc., HPH Trust and Hutchison China MediTech Limited. Mr. Graeme Jack holds a bachelor's degree in commerce, and is a fellow member of the Hong Kong Society of Accountants and an associate member of The Institute of Chartered Accountants in Australia and New Zealand.

**Mr. Lu Jianzhong (陸建忠)**

Born in 1954, Mr. Lu is currently an independent non-executive Director of the Company. Mr. Lu graduated from the Department of Accounting of Shanghai University of Finance and Economics with a bachelor's degree in economics in January 1983. He started his career in the field of finance in the same year. Mr. Lu was a lecturer and an associate professor of the Finance and Accounting Department at the Shanghai Maritime University from September 1986 to August 1997. He served as a certified accountant and a partner of the audit department of PricewaterhouseCoopers Zhong Tian LLP from September 1997 to June 2012. From July 2012 to September 2016, Mr. Lu served as a partner of Shanghai De'an Certified Public Accountants LLP, the marketing director of Daxin Certified Public Accountants LLP and a partner of Zhongxinghua Certified Public Accountants LLP. Mr. Lu has served as a certified accountant at Da Hua Certified Public Accountants LLP since October 2016. Mr. Lu is also an independent director of each of Hangzhou Hikvision Digital Technology Co., Ltd. (listed on the Shenzhen Stock Exchange under the stock code 002415), Changshu Fengfan Power Equipment Co., Ltd. (listed on the Shanghai Stock Exchange under the stock code 601700), Ningbo Lehui International Engineering Equipment Co., Ltd. (listed on the Shanghai Stock Exchange under the stock code 603076) and Shanghai Xinnanyang Only Education & Technology Co., Ltd. (listed on the Shanghai Stock Exchange under the stock code 600661), an enterprise mentor for the Master of Professional Accounting (MPAcc)/the Master of Auditing programs (Maud) of Antai College of Economics and Management of Shanghai Jiao Tong University and an external expert of the Asset Securitization Task Group under the Economic Research Center of the State Council. He is a member of Jiusan Society in the PRC.

**Ms. Zhang Weihua(張衛華)**

Born in 1961, Ms. Zhang is currently an independent non-executive Director of the Company. Ms. Zhang graduated from the Faculty of Business of University of Southern Queensland in Australia with a master's degree in business administration. Ms. Zhang once served as the compliance director of China Merchants Securities Co., Ltd. (listed on the Shanghai Stock Exchange under the stock code 600999) and the chairman of the supervisory committee of China Merchants Fund Management Co., Ltd.. Ms. Zhang served as, among others, the chief auditor, assistant to the president, general manager of the audit department of China Merchants Securities Co., Ltd. and the assistant to the general manager of the securities business department of the head office of China Merchants Bank successively.

**Mr. Gu Xu(顧旭)**

Born in 1964, Mr. Gu was an independent non-executive Director of the Company and resigned on 20 August 2019. Mr. Gu Xu has over 20 years of experience in the financial and securities industry as well as extensive experience in corporate financial management. He led and participated in the restructuring, issuance and listing of

Shanghai Phoenix Bicycle Co., Ltd., Hero (Gold Pen) Co. Ltd. and Shanghai Lujiazui Finance & Trade Zone Development Co., Ltd. (A shares and B shares) and succeeded in leading multiple corporate mergers and acquisitions and reorganizations. He has accumulated extensive theoretical and practical experience in respect of corporate financial and accounting management, capital management, investment management, disposal of distressed assets and management of financial information systems. He is currently the chairman of Shanghai Dongsheng Investment Management Co., Ltd. and an independent director of Suzhou Financial Leasing Co., Ltd..

**(2) Explanation on circumstances that may affect independence**

We, as independent Directors of the Company, do not have any of the following situations that may affect our independence:

- (1) holding any position in the Company or its subsidiaries other than independent Directors;
- (2) having immediate family relationship or key social relationship with the personnel in the Company or its subsidiaries (immediate family relationship means spouse, parents, children and other family relationship; key social relationship means brothers/sisters, parents-in-law, sons/daughters-in-law, spouses of brothers/sisters or brothers/sisters of spouses);
- (3) holding, directly or indirectly, 1% or more of the interests in the issued shares of a listed company or ranking among the top ten shareholders of the Company who are natural persons in terms of shareholdings or having immediate family relationships with them;
- (4) working in a corporate shareholder that directly holds 5% or more of the issued shares of a listed company or ranks among top five corporate shareholders of the listed company or having immediate family relationship with them;
- (5) having the circumstances as mentioned in the preceding four paragraphs during the past year;
- (6) providing financial, legal or consulting services to the Company or its subsidiaries;
- (7) having any other relationship with the Company or its substantial shareholders that could possibly interfere with the exercise of our independent and objective judgment;
- (8) breaching the Articles of Association in relation to our appointment as independent Directors;
- (9) breaching other laws and regulations in relation to our appointment as independent Directors.



## II. PERFORMANCE OF DUTIES OF INDEPENDENT DIRECTORS DURING THE YEAR

## (1) Attendance of meetings

1. *Audit Committee of the Board*

Name of Director	Number of attendance required for the year	Number of Meetings attended in person	Number of meetings attended by telecommunication	Number of Meeting(s) attended by proxy	Number of meeting(s) absent
Lu Jianzhong	9	9	6	0	0
Cai Hongping	9	9	6	0	0

2. *Nomination Committee of the Board*

Name of Director	Number of attendance required for the year	Number of meetings attended in person	Number of meeting(s) attended by telecommunication	Number of Meeting(s) attended by proxy	Number of meeting(s) absent
Hai Chi Yuet	2	2	2	0	0
Cai Hongping	2	2	2	0	0
Gu Xu	2	2	2	0	0

3. *Investment Strategy Committee of the Board*

Name of Director	Number of attendance required for the year	Number of Meeting(s) attended in person	Number of meeting(s) attended by telecommunication	Number of Meeting(s) attended by proxy	Number of meeting(s) absent
Cai Hongping	1	1	1	0	0
Hai Chi Yuet	1	1	1	0	0

4. *Remuneration Committee of the Board*

Name of Director	Number of attendance required for the year	Number of meetings attended in person	Number of meeting(s) attended by telecommunication	Number of Meeting(s) attended by proxy	Number of meeting(s) absent
Cai Hongping	3	3	3	0	0
Hai Chi Yuet	3	3	3	0	0
Graeme Jack	3	3	3	0	0

5. *Risk Control Committee of the Board*

Name of Director	Number of attendance required for the year	Number of meetings attended in person	Number of meeting(s) attended by telecommunication	Number of Meeting(s) attended by proxy	Number of meeting(s) absent
Cai Hongping	2	2	0	0	0
Lu Jianzhong	2	2	0	0	0
Zhang Weihua	2	2	0	0	0

6. *The Board of Directors*

Name of Director	Number of meetings of the Board that should be attended in the year	Number of meetings attended in person	Number of meeting(s) attended by telecommunication	Number of Meeting(s) attended by proxy	Number of meeting(s) absent	Not attend the meetings in person for twice consecutively or not
Cai Hongping	17	17	15	0	0	No
Hai Chi Yuet	17	17	15	0	0	No
Graeme Jack	17	17	15	0	0	No
Lu Jianzhong	17	17	15	0	0	No
Gu Xu	8	8	7	0	0	No
Zhang Weihua	17	17	15	0	0	No

*Note:* Mr. Gu Xu, an independent non-executive Director of the Company, resigned on 20 August 2019.

In addition to the aforementioned Board meetings and special committee meetings of the Board, the independent Directors of the Company attended the 2018 annual general meeting and other general meetings convened during the Reporting Period, at which they considered the resolutions proposed at those meetings with all shareholders (including minority shareholders) of the Company, engaged in interactive communications, and responded to relevant issues of the shareholders' concern.

(2) **Voting on proposals at the Board meetings and special committee meetings of the Board**

The Company reports the daily operation and production to us on a regular basis. Before the Board meetings and various special committee meetings of the Board in which we were serving, we reviewed the meeting materials and took the initiative to understand these materials, repeatedly communicated with one another, considered every proposal conscientiously, expressed our independent opinions, made reasonable suggestions at the meetings (whether voting at such meetings was by way of telecommunication or whether such

meetings were on-site meetings) and expressed independent opinions on the matters under consideration in accordance with the relevant requirements under the listing rules of The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange. Following sufficient communication with the Company, we voted in favour of all resolutions proposed at the Board meetings and various special committee meetings of the Board we were serving in.

**(3) Company's cooperation with the work of the Independent Directors**

The Company fully cooperated with our work by providing convenience as much as possible for the investigations and surveys conducted by us as independent Directors.

**(4) On-site inspections**

During the reporting period, the independent Directors conducted discussions and communications with the management during the general meetings and Board meetings as to issues such as the Company's target-based budgeting for the year, operation of each of the business segments, funding source plans and financing capability for the year, long-term and short-term financing plans of the Company for long-term investments, criteria for evaluating investment projects, assessment and incentive mechanism for the management team and attraction of professionals to the financial platform, so that we acquired a comprehensive understanding of the subsidiaries' operation and management, internal control and relevant regional markets.

**III. KEY CONCERNS OF INDEPENDENT DIRECTORS FOR THE YEAR**

**(1) Related Transactions**

During the reporting period, the independent Directors discharged their duties conscientiously for the control and daily management of the related transactions of the Company. All independent Directors expressed prior approvals of and independent opinions on all material related transactions that the related transactions of the Company were conducted on normal commercial terms; that the pricing for these transactions was fair and reasonable; that these transactions were in compliance with the principles of fairness, impartiality and openness, and were in the interests of the Company and the shareholders as a whole; and that the procedures for considering these transactions were in compliance with laws and regulations, without prejudicing the interests of minority shareholders, and were in the interests of the Company and the shareholders as a whole.

**(2) External guarantees and misappropriation of funds**

We are of the opinion that the Company was able to strictly comply with the requirements of relevant laws and regulations, that the Company carried out the procedures for consideration, decision making and information disclosure as to external guarantees, and that the Company was not found to have provided illegal guarantees to controlling shareholders and other related parties. The flow of funds between the Company and the actual controller was flow of funds arising from normal business operation, and no controlling shareholders and other related parties were found to have misappropriated funds of the Company.

**(3) Use of proceeds**

All proceeds raised from the Company's offering of shares have been used up as of now.

**(4) Nomination of senior management personnel**

During the reporting period, Mr. Cai Lei was appointed as the secretary to the Board of the Company. According to the relevant requirements of the Company Law of the People's Republic of China, the Guiding Opinions on Establishing an Independent Directorship System in Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association, we are of the opinion that the procedures for this appointment of senior management personnel were in compliance with the relevant requirements of the Company Law of the People's Republic of China and the Articles of Association, and were lawful and valid.

**(5) Profit Distribution**

Audited by ShineWing Certified Public Accountants (Special General Partnership), it was confirmed that according to the consolidated statements of the Company for 2018, net profit attributable to shareholders of the listed company amounted to RMB1,386,171,368.55, net profit of the parent amounted to RMB1,870,622,647.06 for 2018, RMB55,878,444.31 were provided for the statutory surplus reserve by the parent, together with the opening balance of unallocated profits amounting to RMB-1,311,838,203.95, the parent company's profit available for distribution at the end of 2018 was RMB444,100,443.25.

Provided that ensuring the ordinary operation and long-term development of the Company while giving consideration to the immediate and long-term interests of shareholders, the Board recommended a profit distribution plan for the Company for 2018: a cash dividend of RMB0.33 (inclusive of tax) for every 10 shares be distributed to all shareholders and remaining undistributed profits be carried forward to the next year, on the basis of the total share capital registered on the record date during the profit distribution for 2018 less the balance of repurchased shares in the repurchased account then.

We are of the opinion that the profit distribution plan for 2018 of the Company is in line with the production, operational and capital needs of the Company and other actual circumstances, and is in compliance with the Notice Regarding Further Implementation of Cash Dividends Distribution by Listed Companies (Zheng Jian Fa [2012] No. 37), Guidelines on Regulating Listed Companies No. 3 – Cash Dividends of Listed Companies (CSRC Announcement [2013] No. 43) promulgated by the CSRC, Guidelines of Shanghai Stock Exchange on Cash Dividends of Listed Companies and the Articles of Association of the Company. We agreed with the profit distribution plan for 2018 of the Company. The Board of the Company submitted this plan to the general meeting for consideration, and the decision-making procedures were in compliance with laws and regulations.

**(6) Fulfillment of undertakings by the Company and Shareholders**

We are of the opinion that the mentioned undertakings were implemented strictly.

Background of Undertaking	Types of Undertaking	The Undertaking Party	Details of Undertaking	Date and Deadline of Undertaking	Deadline for Fulfillment	Performed strictly and promptly or not
	Addressing horizontal competition	COSCO SHIPPING	<p>1. During the period in which COSCO SHIPPING holds, directly or indirectly, the controlling shareholding of COSCO SHIPPING Development, the COSCO SHIPPING and its subsidiaries shall not take any actions or measures or be engaged or involved in the business activities that constitute or may constitute substantive competition with the principal activities of COSCO SHIPPING Development and its subsidiaries, and shall not infringe upon the legitimate rights and interests of the Company and its subsidiaries, including but not limited to the future establishment of other subsidiaries or joint ventures or associated companies to be engaged in the businesses that constitute substantive competition with the existing principal activities of COSCO SHIPPING Development and its subsidiaries, or be involved, directly or indirectly, in the existing principal activities of COSCO SHIPPING Development and its subsidiaries by any other means. 2. If there may be substantive horizontal competition in principal business or substantive conflicts of interests between COSCO SHIPPING and companies under its control and COSCO SHIPPING Development in the future, COSCO SHIPPING shall give up or shall procure the companies under its control to give up such business opportunities that may cause such competition, or shall inject all the businesses, which may cause such competition by COSCO SHIPPING and the companies under its control, into COSCO SHIPPING Development at a fair market price at an appropriate time. 3. COSCO SHIPPING shall not take advantage of the information learned or known from COSCO SHIPPING Development to assist third parties to be engaged or involved in any business activities that may result in substantive or potential competition with the existing business of COSCO SHIPPING Development. 4. For any breach of the said undertakings on the part of COSCO SHIPPING or other companies under its control that results in prejudice against the interests of COSCO SHIPPING Development and other shareholders, COSCO SHIPPING shall be liable for compensating them for the loss accordingly in accordance with the laws.</p>	The undertaking was made on May 5, 2016	No	Yes

Background of Undertaking	Types of Undertaking	The Undertaking Party	Details of Undertaking	Date and Deadline of Undertaking	Deadline for Fulfillment	Performed strictly and promptly or not
Undertaking regarding the major asset restructuring	Addressing related transactions	COSCO SHIPPING	<p>1. COSCO SHIPPING and other companies under its control shall avoid conducting unnecessary related transactions with the listed company as much as possible; for those necessary related transactions conducted for its on-going operations, they shall be handled in a manner agreed by both parties, and in compliance with the market-oriented pricing principles, the requirements of the relevant laws, regulations and regulatory documents as well as the articles of association of COSCO SHIPPING Development and the rules for related transactions.</p> <p>2. COSCO SHIPPING and other companies under its control shall avoid and reduce potential related transactions with the listed company which may be conducted in the future; for the related transactions which cannot be avoided or which are conducted with a valid reason, COSCO SHIPPING shall enter into related transaction agreements with COSCO SHIPPING Development in compliance with the relevant laws, regulations and regulatory documents as well as the articles of association of COSCO SHIPPING Development and the rules for related transactions and on the basis of the general commercial principle of an open, fair and impartial market, and ensure the related transactions are fair and in compliance with laws; carry out the transaction procedures; and fulfill their information disclosure obligations in accordance with the requirements of the relevant laws, regulations and regulatory documents.</p> <p>3. COSCO SHIPPING's undertakings regarding the regulating of related transactions shall similarly apply to the other companies under its control; COSCO SHIPPING shall procure, within the range of its legal authority, that the other companies under its control to fulfill the obligations for regulating the existing or potential related transactions between them and the listed company.</p>	The undertaking was made on May 5, 2016	No	Yes

Background of Undertaking	Types of Undertaking	The Undertaking Party	Details of Undertaking	Date and Deadline of Undertaking	Deadline for Fulfillment	Performed strictly and promptly or not
	Addressing horizontal competition	China Shipping	<p>China Shipping and COSCO SHIPPING Development shall be independent from each other in terms of assets, staff, finance, entities and business: 1. With respect to independence of assets, China Shipping warrants that COSCO SHIPPING Development shall have complete and sole ownership of all of its assets such that the assets of each of China Shipping and COSCO SHIPPING Development shall be totally separated and managed by each of the China Shipping and COSCO SHIPPING Development, and warrants that the funds and assets of COSCO SHIPPING Development shall not be misappropriated by China Shipping and companies under its control. 2. With respect to independence of staff, China Shipping warrants that COSCO SHIPPING Development shall have independent and a complete set of rules and regulations governing labor, human resources and wages, which shall be absolutely independent from those of China Shipping. China Shipping shall propose candidates for senior management personnel such as directors, supervisors and managers in accordance with statutory procedures, without interfering with the exercise of powers by the board and general meetings of COSCO SHIPPING Development to make decisions on the appointment and removal of staff. General managers, deputy general managers, financial administrators, secretary to the board and other senior management personnel of COSCO SHIPPING Development shall be working full-time at COSCO SHIPPING Development and receive remunerations from COSCO SHIPPING Development. They shall not be taking any positions at China Shipping or companies under its control and/or receive any remunerations therefrom. 3. With respect to financial independence, China Shipping warrants that COSCO SHIPPING Development shall have independent finance departments and independent finance auditing rules and regulations; COSCO SHIPPING Development shall have standardized and independent financial accounting systems; COSCO SHIPPING Development shall maintain its independent bank accounts and shall not share the same accounts with China Shipping and companies under its control; the finance staff of the Company shall not be working on a part-time basis at China Shipping and companies under its control; COSCO SHIPPING Development shall pay taxes as an independent entity in accordance with the law; the Company shall be able to make decisions on financial matters independently, and China Shipping shall not interfere with the utilization of funds by COSCO SHIPPING Development. 4. With respect to</p>	December 11, 2015	No	Yes

Background of Undertaking	Types of Undertaking	The Undertaking Party	Details of Undertaking	Date and Deadline of Undertaking	Deadline for Fulfillment	Performed strictly and promptly or not
			<p>independence of entities, China Shipping warrants that COSCO SHIPPING Development shall maintain a sound structure of corporate governance as a joint-stock company as well as an independent and complete organization; the general meetings, board meetings, independent directors, board of supervisors and general managers of COSCO SHIPPING Development shall exercise their powers independently in accordance with the laws, regulations and the articles of association of the Company. 5. With respect to independence of business, China Shipping warrants that COSCO SHIPPING Development shall have an independent business management system as well as assets, staff, qualifications and capabilities for conducting business operations independently, and the capabilities for operating independently and continuously in the market. Other than the exercise of rights as a shareholder in accordance with the laws, China Shipping shall not interfere with the normal business activities of COSCO SHIPPING Development. This undertaking shall remain effective as long as the relationship between the China Shipping Group and COSCO SHIPPING Development exists. Avoidance of horizontal competition: 1. Upon completion of the major asset restructuring, China Shipping shall not, directly or indirectly, (including but not limited to wholly-owned investment, joint venture, cooperation and association) be engaged in or carry out business activities that have or may have substantive competition with the business of COSCO SHIPPING Development. 2. In the event that the products made or businesses carried out by the companies wholly-owned, controlled by China Shipping or in which it holds equity interests constitute or may constitute competition with those of COSCO SHIPPING Development in the future, upon request of COSCO SHIPPING Development, China Shipping warrants that it shall dispose of all its capital contributions or shares in the above-mentioned companies, and that it shall grant preemptive rights to COSCO SHIPPING Development or its wholly-owned subsidiaries to purchase such capital contributions or shares subject to legal compliance,, and use best efforts to ensure the prices for the relevant transactions are fair and reasonable and determined during the course of normal business transactions with independent third parties.</p>			



Background of Undertaking	Types of Undertaking	The Undertaking Party	Details of Undertaking	Date and Deadline of Undertaking	Deadline for Fulfillment	Performed strictly and promptly or not
			<p>3. In the event of a breach of the above-mentioned undertakings by China Shipping or other companies under its control that result in prejudice against the rights and interests of COSCO SHIPPING Development and the other shareholders, China Shipping shall be liable for compensating them for the loss accordingly in accordance with the law. Reduction of related transactions: 1. China Shipping and other companies under its control shall avoid or reduce related transactions with COSCO SHIPPING Development as much as possible. For those unavoidable or necessary related transactions, the China Shipping Group undertakes that it shall enter into legal agreements based on the general commercial principle of an open, fair and impartial market, carry out legal procedures in compliance with the relevant laws, regulations and regulatory documents as well as the articles of association of COSCO SHIPPING Development and other rules for related transactions, so as to ensure that the related transactions are fair and lawful, that no legitimate rights and interests of COSCO SHIPPING Development and the other shareholders are prejudiced by means of related transactions, and that it shall fulfill its information disclosure obligations in accordance with the requirements of the relevant laws, regulations and regulatory documents. 2. The China Shipping Group shall exercise its rights as a shareholder in strict compliance with the Company Law and other laws and regulations as well as the articles of association of COSCO SHIPPING Development, and abstain from voting at the general meetings of COSCO SHIPPING Development on the related transactions in relation to the China Shipping Group and other companies under its control.</p>			

Background of Undertaking	Types of Undertaking	The Undertaking Party	Details of Undertaking	Date and Deadline of Undertaking	Deadline for Fulfillment	Performed strictly and promptly or not
Undertaking regarding IPO	Addressing horizontal competition	The Company or shareholders holding more than 5% of equity interests	1. China Shipping shall adopt and procure its controlled subsidiaries to adopt effective measures not to engage in or be involved in any business that may compete with the container transportation business and the related business which the Company and/or its subsidiaries are mainly engaged in, or which have rights or interests in such business; where China Shipping or its controlled subsidiaries acquire any business opportunity to engage in the container transportation business and the related business that the Company and/or its controlled subsidiaries are currently engaged in or will be engaged in the projects related to such business in the future, China Shipping shall and shall procure its controlled subsidiaries to grant the preemptive rights to such projects to the Company or its subsidiaries free of charge. 2. China Shipping (Group) Company Limited agrees to indemnify and hold the Company and/or its subsidiaries harmless against all losses, damages and expenses incurred as a result of any breach of this undertaking by China Shipping and/or its subsidiaries.	August 29, 2007	No	Yes

Background of Undertaking	Types of Undertaking	The Undertaking Party	Details of Undertaking	Date and Deadline of Undertaking	Deadline for Fulfillment	Performed strictly and promptly or not
Undertaking regarding refinancing	Others	Undertaking by Directors and senior management personnel of the Company	<p>1. I hereby undertake that I shall not transfer benefits to other entities or individuals free of charge or on unfair terms or impair the interests of the Company in any other ways. 2. I hereby undertake that I shall have my duty-related consumption activities constrained.</p> <p>3. I hereby undertake that I shall not utilize the assets of the Company for any investment or consumption activities not related to the discharge of my duties.</p> <p>4. I hereby undertake that the remuneration package formulated by the Board or the Remuneration Committee shall be linked to the implementation of the measures of the Company to make up for returns.</p> <p>5. For any subsequent share incentive plan of the Company, I hereby undertake that the vesting terms for the equity incentive plan announced shall be linked to the implementation of measures of the Company to make up for returns. 6. During the period from the date of this undertaking to the completion of the non-public offering of A Shares of the Company, where the CSRC issued any new regulatory measures for making up for returns and for such undertaking and where the said undertaking fails to meet such requirements of the CSRC, I hereby undertake that I shall make additional undertaking(s) in accordance with the latest requirements issued by the CSRC. 7. I hereby undertake that I shall strictly fulfill the undertaking and shall be liable for compensating the Company or the investors, in accordance with the laws, for any loss caused to the Company or the investors as a result of any breach of these undertakings.</p>	October 11, 2016 to November 13, 2019	Yes	Yes

Background of Undertaking	Types of Undertaking	The Undertaking Party	Details of Undertaking	Date and Deadline of Undertaking	Deadline for Fulfillment	Performed strictly and promptly or not
	Others	China Shipping	The company shall continue to assure the independence of the listed company, shall not interfere with the business and management activities of the listed company beyond its authority, and shall not encroach on the interests of listed companies. The company hereby undertakes that it shall fulfill the undertaking effectively and shall be liable for compensating the listed company or the investors in accordance with the laws for any loss caused to the listed company or the investors as a result of any breach of these undertakings.	October 11, 2016	No	Yes
	Others	COSCO SHIPPING	The company shall continue to assure the independence of the listed company, shall not interfere with the business and management activities of the listed company beyond its authority, and shall not encroach on the interests of listed companies. The company hereby undertakes that it shall fulfill the undertaking effectively and shall be liable for compensating the listed company or the investors in accordance with the laws for any loss caused to the listed company or the investors as a result of any breach of these undertakings.	October 11, 2016	No	Yes

Background of Undertaking	Types of Undertaking	The Undertaking Party	Details of Undertaking	Date and Deadline of Undertaking	Deadline for Fulfillment	Performed strictly and promptly or not
	Other	COSCO SHIPPING	<p>1. COSCO SHIPPING and its persons acting in concert did not reduce their holdings of the shares of the issuer 6 months prior to the pricing base date of the non-public offering of the issuer (October 12, 2016) to the issue date of this Letter of Undertaking. 2. COSCO SHIPPING and its persons acting in concert did not have any plans to reduce their holdings of the shares of the issuer (including the shares arising from allotment, conversion of common reserve fund into share capital and other distribution of rights and interests in the undertaking period) within 6 months after the issue of this Letter of Undertaking until the issuer's completion of this non-public offering. 3. COSCO SHIPPING and its persons acting in concert did not violate Article 47 of the Securities Law of the PRC or item (vii) of Article 39 of the Measures Governing the Issuance of Securities by Listed Companies. 4. In the event of any breach of the aforementioned undertakings, all the proceeds of COSCO SHIPPING and its persons acting in concert due to the reduction of the holding of their shares shall be owned by the issuer, and COSCO SHIPPING and its persons acting in concert shall assume all legal liabilities arising therefrom according to law.</p>	October 27, 2017 to November 13, 2019	Yes	Yes
	Others	COSCO SHIPPING	<p>In the event of failure to determine an issue price of the non-public offering through market inquiry, COSCO SHIPPING shall subscribe for A Shares issued in this non-public offering at the bottom price of the non-public offering, being the higher of 90% of the average trading price of A Shares of COSCO SHIPPING Development for the 20 trading days prior to the pricing base date and the latest audited net assets per share at the time of the non-public offering by COSCO SHIPPING Development, and complete all internal and external approval procedures in accordance with domestic and overseas regulatory requirements at that time.</p>	October 27, 2017 to November 13, 2019	Yes	Yes

Background of Undertaking	Types of Undertaking	The Undertaking Party	Details of Undertaking	Date and Deadline of Undertaking	Deadline for Fulfillment	Performed strictly and promptly or not
	Other	Company	<p>1. The funding plan for the coming 36 months, such as making additional investment or providing loans for the businesses with financial activity attributes: As of the issue date of this Letter of Undertaking, according to the current development plan of COSCO SHIPPING Development for the businesses with financial activity attributes, the parent company of COSCO SHIPPING Development does not have such funding plans for making additional investment or providing loans for the businesses with financial activity attributes in the coming 36 months. 2. Undertaking concerning the funding plan for the coming 36 months, such as making additional investment or providing loans for the businesses with financial activity attributes: As of the issue date of this Letter of Undertaking, the parent company of COSCO SHIPPING Development does not have such funding plans for making additional investment or providing loans for the businesses with financial activity attributes in the coming 36 months. 3. Undertaking that no investment in the businesses with financial activity attributes is made directly or in disguised form with the proceeds from this non-public offering: When the proceeds from this non-public offering are in place, COSCO SHIPPING Development shall utilize and manage the proceeds in strict compliance with the relevant laws, regulations and the measures for the management of the proceeds, and it shall review the utilization of the proceeds regularly to ensure the proceeds are utilized in a legal and reasonable manner. COSCO SHIPPING Development undertakes that it shall not make any investment in the businesses with financial activity attributes directly or in disguised form with the proceeds from this non-public offering.</p>	October 27, 2017 to October 27, 2020	Yes	Yes

Background of Undertaking	Types of Undertaking	The Undertaking Party	Details of Undertaking	Date and Deadline of Undertaking	Deadline for Fulfillment	Performed strictly and promptly or not
	Other	Company	<p>1. The major asset investment or acquisition plans for the coming three months: As of the issue date of this Letter of Undertaking, the Company has no major asset investment or acquisition plans in the coming three months apart from the plan that CS Investment, a subsidiary of the Company, intends to make a capital increase in China Bohai Bank Co., Ltd. For the major investments or asset acquisitions that the Company needs to carry out in the coming three months as a result of the currently unforeseeable impact of the internal and external situations or emergencies, the Company shall raise the required funds through internal funds or otherwise financing and make information disclosures pursuant to the requirements of the Procedures Governing Information Disclosures by Listed Companies and the Rules Governing the Listing of Securities on the Shanghai Stock Exchange (revised in 2014). 2. There shall be no payment of corporate bonds due with the proceeds in disguised form so as to carry out significant investments or asset purchases. After the proceeds are in place, the Company shall utilize and manage the proceeds in strict compliance with relevant laws and regulations and the measures for the management of the proceeds, regularly check the utilization of the proceeds to ensure that the proceeds are used in a reasonable and lawful manner, which is conducive to reducing related party transactions, avoiding horizontal competition and enhancing independence. The proceeds from this offering shall be deposited in a special account set up by the board of directors of the Company, and supervised in accordance with relevant requirements. The Company undertakes that it shall not repay due corporate bonds with the proceeds so as to carry out major investment or asset purchase business in disguised form.</p>	October 27, 2017 to November 13, 2019	Yes	Yes

Background of Undertaking	Types of Undertaking	The Undertaking Party	Details of Undertaking	Date and Deadline of Undertaking	Deadline for Fulfillment	Performed strictly and promptly or not
Other undertakings	Asset injection	COSCO SHIPPING	1. The company shall procure CS Financial to entrust the equity of the target companies to COSCO SHIPPING Development or its specialized subsidiaries for management, and the Company shall be fully responsible for the operation and decision-making of the target companies. The company shall procure CS Financial or the relevant target companies to pay management service fees to COSCO SHIPPING Development or its specialized subsidiaries at a fair price. 2. Within three years from the date of completion of this acquisition and delivery, the company undertakes to transfer the equity of the target companies to COSCO SHIPPING Development at a fair and reasonable market price through legal procedures and appropriate ways. 3. If the rights and interests of COSCO SHIPPING Development and its subsidiaries are prejudiced as a result of breach of the above undertakings by the company or other companies under its control, the company shall assume liability for compensation accordingly according to law.	From 6 May 2019 to the date on which the equity interests of the target companies were transferred to COSCO SHIPPING Development or the date on which the company no longer directly or indirectly controls itself, whichever is earlier	Yes	Yes

#### (7) Implementation of information disclosure

During the reporting period, the Company was able to make information disclosures in an “open, fair and impartial” manner according to the requirements of relevant laws and regulations, without being criticized or penalized by regulatory authorities.

#### (8) Implementation of internal control

For the implementation of internal control, please refer to the “Internal Control Evaluation Report for 2019” considered and passed by the Board, and the “Internal Control Audit Report for 2019” of the Company issued by ShineWing Certified Public Accountants.



**(9) Operation of the Board and the special committees under the Board**

The Board has set up six special committees, namely the investment strategy committee, nomination committee, remuneration committee, audit committee, risk control committee and execution committee. All these special committees considered the matters according to their respective specialized fields. The Board and its special committees operated in a regulated manner and discharged their duties according to law. For details about the operation, please refer to the Company's Annual Report 2019.

**(10) Other issues which the Independent Directors considered that the Company should improve**

The Company operated in a regulated manner according to relevant laws and regulations as well as regulatory requirements for listed companies. Currently, no issues which need to be raised for improvement were found.

**IV. OVERALL ASSESSMENT**

As the independent directors of the Company, we discharged our duties based on the principles of objectiveness, fairness and independence; participated in the decision making of material matters of the Company, remained diligent and responsible, and played an active role as independent Directors in strict compliance with the requirements of laws and regulations, including the Company Law, the Securities Law, Guiding Opinions on the Establishment of an Independent Directorship System in Listed Companies, the Articles of Association and Working System of Independent Directors, thus safeguarded the legitimate rights and interests of the Company and its shareholders (especially minority shareholders) as a whole.

In 2020, we will continue to uphold the principles of prudence, diligence and loyalty and the spirit of being accountable to the Company and all shareholders; we will strengthen learning and constantly enhance our professional skills and decision-making capabilities; and we will discharge our duties and obligations as independent Directors faithfully and effectively so as to better protect the legitimate rights and interests of the Company and minority shareholders.

Independent Directors of COSCO SHIPPING Development Co., Ltd.  
Cai Hongping, Hai Chi Yuet, Graeme Jack, Lu Jianzhong and Zhang Weihua

27 March 2020

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## NOTICE OF AGM

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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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting for the year of 2019 (the “**AGM**”) of COSCO SHIPPING Development Co., Ltd. (the “**Company**”) will be held at 1:30 p.m. on Monday, 29 June 2020 (or at any adjournment thereof) at Level 3, Ocean Hotel Shanghai, 1171 Dong Da Ming Road, Hong Kou District, Shanghai, the People’s Republic of China to consider and, if thought fit, pass the following resolutions. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 28 May 2020 (the “**Circular**”).

#### ORDINARY RESOLUTIONS

1. To consider and approve the report of the Board for the year ended 31 December 2019.
2. To consider and approve the report of the Supervisory Committee for the year ended 31 December 2019.
3. To consider and approve the work report of the independent non-executive Directors for the year ended 31 December 2019.
4. To consider and approve the audited financial statements and the auditors’ report of the Group for the year ended 31 December 2019.
5. To consider and approve the annual report of the Company for the year ended 31 December 2019.

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## NOTICE OF AGM

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6. To consider and approve the proposed profit distribution plan of the Company and the proposed payment of a final dividend of RMB0.045 per share of the Company (inclusive of applicable tax) for the year ended 31 December 2019.
7. To consider and determine the remuneration of the Directors and the Supervisors for the year 2020.
- 8.(a) To re-appoint ShineWing Certified Public Accountants as the Company's domestic auditor for the year of 2020, with remuneration of RMB5,280,000 (inclusive of applicable tax).
- 8.(b) To re-appoint ShineWing Certified Public Accountants as the Company's internal control auditor for the year of 2020, with remuneration of RMB920,000 (inclusive of applicable tax).
- 8.(c) To re-appoint Ernst & Young, Hong Kong Certified Public Accountants as the international auditor of the Company for the year of 2020, with remuneration of RMB8,250,000 (inclusive of applicable tax).

### SPECIAL RESOLUTIONS

9. To consider and approve the resolution in relation to the Proposed Grant of General Mandate to Issue Corporate Bonds, details of which are set out in the Circular.
10. To consider and approve the resolution in relation to the Provisions of Guarantees, details of which are set out in the Circular.

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

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## NOTICE OF AGM

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*Notes:*

1. The Register of Members will be closed during the following periods and during these periods, no transfer of H Shares will be registered.

- (a) To attend and vote at the AGM

For the purpose of holding the AGM, the Register of Members will be closed from 23 June 2020 to 29 June 2020 (both days inclusive), during which period no transfer of H Shares will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on 22 June 2020 are entitled to attend and vote at the AGM.

In order to be entitled to attend and vote at the AGM, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 22 June 2020.

- (b) To qualify for the proposed final dividend for the year ended 31 December 2019

For the purpose of determining the H Shareholders' entitlement to the proposed final dividend for the year ended 31 December 2019, the Register of Members will be closed from 30 July 2020 to 4 August 2020 (both days inclusive), during which period no transfer of H Shares will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on 4 August 2020 are entitled to receive the proposed final dividend.

In order to qualify for the proposed final dividend, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 29 July 2020.

2. Each H Shareholder who has the right to attend and vote at the AGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the AGM.
3. The Form of Proxy must be signed by the Shareholder or his/her attorney duly authorised in writing or, in the case of a legal person, must either be executed under its common seal or under the hand of a legal representative or other attorney duly authorised to sign the same. If the Form of Proxy is signed by an attorney of the appointer, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarially certified.
4. To be valid, for H Shareholders, the Form of Proxy, and if the Form of Proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to Computershare at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the AGM or any adjournment thereof in order for such documents to be valid.
5. If a proxy attends the AGM on behalf of a Shareholder, he/she should produce his/her identity card and the Form of Proxy signed by the Shareholder or his/her legal representative or his/her duly authorised attorney, and specify the date of its issuance. If a legal person Shareholder appoints its corporate representative to attend the AGM, such representative should produce his/her identity card and the notarised copy of the resolution passed by the board of directors or other authorities, or other notarised copy of the licence issued by such legal person Shareholder. The Form of Proxy duly signed and submitted by HKSCC Nominees Limited are deemed to be valid, and it is not necessary for the proxy(ies) appointed by HKSCC Nominees Limited to produce the signed Form of Proxy when the proxy(ies) attend(s) the AGM. Completion and return of the Form of Proxy will not preclude a Shareholder from attending in person and voting at the AGM or any adjournment thereof should he/she so wish.

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## NOTICE OF AGM

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6. Pursuant to the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by way of poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolutions set out in the notice of the AGM will be voted on by poll. Results of the poll voting will be published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) after the AGM.
7. Where there are joint registered holders of any share of the Company, only the person whose name stands first on the Register of Members in respect of such share may vote at the AGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto.
8. The AGM is estimated to last for half a day. Shareholders who attend the AGM in person or by proxy shall bear their own transportation and accommodation expenses.

*The Board as at the date of this notice 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 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 “COSCO SHIPPING Development Co., Ltd.”.*