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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)

**2021 A SHARE DIVIDEND DISTRIBUTION
AND
FURTHER INFORMATION ON THE ANNUAL GENERAL MEETING**

2021 A SHARE DIVIDEND DISTRIBUTION

The board of directors (the “**Board**”) of COSCO SHIPPING Development Co., Ltd. (the “**Company**”) is pleased to announce the arrangement in relation to the 2021 A share dividend distribution.

This announcement is not applicable to the dividend distribution to holders of H shares of the Company. For details of the distribution of dividends to the H shareholders of the Company, please refer to the circular of the Company dated 9 June 2022 and the poll results announcement of the annual general meeting dated 30 June 2022.

I. The session and date of the general meeting approving the distribution plan

The profit distribution plan was considered and approved at the 2021 annual general meeting of the Company held on 30 June 2022 (the “**AGM**”).

II. Distribution plan

1. Distribution year: 2021
2. Distribution targets:

All holders of A shares whose names appear on the register of members maintained by China Securities Depository and Clearing Corporation Limited, Shanghai Branch (“**CSDC Shanghai Branch**”) as at the afternoon of record date after the close of trading on the Shanghai Stock Exchange. According to the relevant provisions of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Implementation Rules of the Shanghai Stock Exchange for the Repurchase of Shares by Listed Companies and other laws, regulations, regulatory documents and the articles of association of the Company, the Company’s shares deposited in the specific account for repurchase shall not participate in profit distribution.

3. Differentiated dividend distribution and carrying forward plan:

- (1) Specific plan for differentiated dividend distribution and carrying forward

A cash dividend of RMB2.26 (tax inclusive) for every 10 shares will be distributed to all shareholders based on the total share capital as at the record date for profit distribution for the year 2021 less the shares repurchased in the specific repurchase account. The remaining undistributed profits will be carried forward to the next year.

- (2) Calculation of ex-right and ex-dividend of the differentiated dividend distribution

Pursuant to the Trading Rules of the Shanghai Stock Exchange, the Company shall calculate the ex-right and ex-dividend opening reference price based on the following formula: Ex-right (ex-dividend) reference price = (previous closing price – cash dividend per share) + placing (new) share price × percentage of changes in circulating shares ÷ (1 + percentage of changes in circulating shares)

Of which, the percentage of changes in circulating shares = (total share capital participating in the distribution × conversion ratio) ÷ total share capital

According to the profit distribution plan approved at the AGM, the calculation is as follows:

Of which, the cash dividend per share = the actual number of shares participating in the distribution × the actual cash dividend per share ÷ the total share capital as at the record date for the profit distribution = $13,527,410,710 \times 0.226 \div 13,586,477,301 \approx \text{RMB}0.2250$;

The Company will only distribute cash dividends, and there will be no distribution of shares or conversion. Therefore, the circulating shares of the Company will remain unchanged, and the percentage of changes in circulating shares is 0.

Therefore, ex-right (ex-dividend) reference price = (previous closing price – 0.225) ÷ (1 + 0)

- (3) According to the relevant provisions of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Implementation Rules of the Shanghai Stock Exchange for the Repurchase of Shares by Listed Companies and other laws, regulations, regulatory documents and the articles of association of the Company, the Company’s shares deposited in the specific account for repurchase (account number: B882431264) shall not participate in profit distribution.

III. Relevant Date

| Class of shares | Record date | Last trading day | Ex-right (ex-dividend) date | Cash dividend payment date |
|-----------------|--------------|------------------|-----------------------------------|-------------------------------|
| A share | 27 July 2022 | – | 28 July 2022 | 28 July 2022 |

IV. Distribution Implementation Measures

1. *Implementation Measures*

- (1) The dividend of circulating shares not subject to trading moratorium shall be distributed to the shareholders whose names appear on the register of members after the close of trading of the Shanghai Stock Exchange on the record date and who have completed designated transactions on the Shanghai Stock Exchange through the clearing system of CSDC Shanghai Branch. Investors who have completed a designated transaction may receive cash dividends from their designated securities branches on the dividend distribution date. The dividends of the shareholders who have not completed designated transactions are temporarily retained by CSDC Shanghai Branch and will be distributed after completing the designated transactions.
- (2) This announcement is not applicable to the dividend distribution to holders of H shares of the Company.

2. *Self-distribution target*

China COSCO SHIPPING Corporation Limited, China Shipping Group Company Limited, COSCO SHIPPING Investment Holdings Co., Ltd.

3. *Explanation of tax deduction*

- (1) For natural person shareholders and securities investment fund shareholders who hold A shares of the Company, pursuant to the Individual Income Tax Law of the People’s Republic of China, the Implementation Regulations of the Individual Income Tax Law of the People’s Republic of China, the Notice on Relevant Issues Concerning the Implementation of Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (Cai Shui [2012] No. 85) (“**Cai Shui [2012] No. 85 Notice**”) and the Notice on Relevant Issues Concerning Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (“**Cai Shui [2015] No. 101 Notice**”), the differentiated individual income tax shall be applied for the transfer of shares by natural person shareholders and securities investment fund after the record date. The specific operations are as follows:

For individual shareholders and securities investment fund shareholders who acquire the shares of the Company from public offering or from the stock market and hold the shares for more than one year, the incomes from dividends and bonuses shall be temporarily exempted from individual income tax, and the individual income tax shall not be withheld for this dividend distribution. For shares held for one year or less, the Company will not withhold individual income tax for the time being. For shares to be transferred, CSDC Shanghai Branch shall calculate the amount of tax payable according to its term of shareholding, and the securities company and other share custodian institutions shall deduct the tax from their capital accounts and transfer the tax to CSDC Shanghai Branch. CSDC Shanghai Branch will transfer the tax to the Company within 5 working days of the following month. The Company will declare and pay the tax to the competent tax authority within the statutory declaration period of the month in which the tax is received. The actual tax burden is as follows: for the shares of the Company obtained by shareholders from public offering and from the stock market, if the stock holding period is one month or less, the incomes from dividends and bonuses shall be included into the taxable incomes in full amount, and the actual tax rate shall be 20%; if the stock holding period is more than one month but up to one year, the incomes from dividends and bonuses shall be included into the taxable incomes at the reduced rate of 50% for the time being, and the actual tax rate shall be 10%.

- (2) For the cash dividends of qualified foreign institutional investors (“**QFII**”) who hold A shares of the Company, the Company shall withhold and pay enterprise income tax at the rate of 10% in accordance with the requirements of the Notice on Relevant Issues Concerning the Withholding and Payment of Enterprise Income Tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII (Guo Shui Han [2009] No. 47) (“**Guo Shui Han [2009] No. 47 Notice**”). The actual amount of cash dividends after tax is RMB0.2034 per share. If relevant shareholders consider that their dividends shall be treated in accordance with any tax treaty (arrangement), they may file an application to the competent tax authorities after receiving such dividends in accordance with the requirements of the Guo Shui Han [2009] No. 47 Notice. If such shareholders require the Company to provide proof of withholding and payment of tax, they shall provide the Company with the relevant documents (including the letter requiring the Company to provide proof of withholding and payment of tax, the copy of stock account card, the copy of the securities investment business licence of QFII, the original of the relevant power of attorney and the valid proof of the trustee) within 10 working days from the record date for the distribution.

For Renminbi qualified foreign institutional investors (“**RQFII**”) shareholders, reference shall be made to QFII shareholders.

- (3) For investors of The Stock Exchange of Hong Kong Limited (including enterprises and individuals) holding A shares of the Company through Northbound Trading (the “**Northbound Shareholders**”), their cash dividends will be distributed in RMB by the Company through CSDC Shanghai Branch to the account of the nominee holding such shares. Pursuant to the Notice of the Ministry of Finance, State Taxation Administration and CSRC on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market (Cai Shui [2014] No. 81) (“**Cai Shui [2014] No. 81 Notice**”), the Company is required to withhold and pay the income tax at the rate of 10%. The actual cash dividend paid after tax is RMB0.2034 per share.

If relevant investors believe that their dividends shall be treated in accordance with any tax treaty (arrangement), they may file an application to the competent tax authorities after receiving such dividends in accordance with the provisions of Cai Shui [2014] No. 81 Notice.

Cash dividend income tax shall be paid by corporate A shareholders and institutional investors other than QFII, RQFII and Northbound Shareholders mentioned above. The actual cash dividend paid before tax is RMB0.226 per share.

V. Relevant Consultation Measures

The consultation methods for the implementation of the 2021 A share dividend distribution of the Company are as follows:

Contact department: Securities and Public Relations Department

Tel: (86) 021-65967333

FURTHER INFORMATION ON THE AGM

Reference is made to the poll results announcement of the AGM of the Company dated 30 June 2022.

The Board announces that on the date of the AGM, four directors attended the AGM among the eight directors of the Company then in office. Mr. Liu Chong, the chairman of the Company, Mr. Huang Jian, non-executive Director, Mr. Lu Jianzhong and Mr. Shao Ruiqing, independent non-executive Directors, attended the AGM, while Mr. Liang Yanfeng and Mr. Ip Sing Chi, non-executive Directors, Mr. Cai Hongping and Ms. Zhang Weihua, independent non-executive Directors, did not attend the AGM due to other work arrangements.

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

Shanghai, the People's Republic of China
19 July 2022

As at the date of this announcement, the Board comprises Mr. Liu Chong and Mr. Zhang Mingwen, being executive Directors, Mr. Huang Jian, Mr. Liang Yanfeng and Mr. Ip Sing Chi, being non-executive Directors, and Mr. Cai Hongping, Mr. Lu Jianzhong, Ms. Zhang Weihua and Mr. Shao Ruiqing, being independent non-executive Directors.

* *The Company is a non-Hong Kong company as defined under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and it is registered under its Chinese name and under the English name "COSCO SHIPPING Development Co., Ltd."*