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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 or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in COSCO SHIPPING Holdings Co., Ltd.*, you should at once hand this circular, the forms of proxy, the INED's Proxy Forms and the reply slips to the purchaser or 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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中遠海運控股股份有限公司
COSCO SHIPPING Holdings Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1919)

**PROPOSED AMENDMENTS TO THE FURTHER REVISED
SHARE OPTION INCENTIVE SCHEME**

Capitalized terms used in this cover page have the same meanings as those defined in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 5 to 12 of this circular.

The notices convening the AGM on Monday, 18 May 2020 at 10 a.m. at Conference Room, 47th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong and Ocean Hall, 5th Floor, Shanghai Ocean Hotel, No. 1171, Dong Da Ming Road, Shanghai, the PRC and the H Share Class Meeting to be held on the same date and at the same place immediately after the A Share Class Meeting (which is to be held immediately after the AGM on the same date and at the same place), together with the respective forms of proxy, INED's Proxy Forms and reply slips, were despatched to the Shareholders on 3 April 2020.

Whether or not you intend to attend the AGM and/or the H Share Class Meeting, you are requested to complete and return the forms of proxy or the INED's Proxy Forms in accordance with the instructions printed thereon. The forms of proxy or the INED's Proxy Forms should be returned to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the AGM and/or the H Share Class Meeting or any adjournment thereof. Completion and return of the forms of proxy or the INED's Proxy Forms will not preclude you from attending and voting in person at the AGM and the H Share Class Meeting or at any adjournment thereof should you so wish.

As part of our control measures to try to prevent and control the spread of Novel Coronavirus (COVID-19) and to safeguard the health and safety of the Shareholders, the Company encourages the Shareholders to consider appointing the respective chairman of the AGM and the H Share Class Meeting and/or Mr. Wu Dawei, an independent non-executive Director as their proxy to vote as instructed by the Shareholders on the relevant special resolutions at the AGM and/or the H Share Class Meeting instead of attending the AGM and/or the H Share Class Meeting in person.

* *For identification purpose only*

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held on Monday, 18 May 2020 at 10 a.m. to consider, and if thought fit, approve the proposed amendments to the Further Revised Scheme and the Appraisal Measures
“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 Share Class Meeting”	the class meeting of the A Shareholders to be convened on Monday, 18 May 2020 to consider and, if thought fit, approve, among other things, the proposed amendments to the Further Revised Scheme and the Appraisal Measures
“Administrative Measures”	the “Administrative Measures on Share Incentives of Listed Companies” (《上市公司股權激勵管理辦法》) issued by the CSRC
“Appraisal Measures”	the “Appraisal Measures on the Share Option Incentive Scheme” (《股票期權激勵計劃實施考核辦法》) of the Company approved by the Shareholders on 30 May 2019
“April 2019 Announcement”	the announcement of the Company dated 22 April 2019 in relation to, among other things, the adoption of the revised A-share share option incentive scheme
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Class Meetings”	the A Share Class Meeting and the H Share Class Meeting
“Company”	COSCO SHIPPING Holdings Co., Ltd.* (中遠海運控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1919) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601919)

* For identification purpose only.

DEFINITIONS

“Company Law”	the Company Law of the PRC
“connected person”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Further Revised Scheme”	the “Share Option Incentive Scheme of COSCO SHIPPING Holdings Co., Ltd.” (《中遠海運控股股份有限公司股票期權激勵計劃》) of the Company, being the A-share share option incentive scheme of the Company, approved by the Shareholders on 30 May 2019
“Group”	the Company and its subsidiaries
“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 Main Board of the Hong Kong Stock Exchange
“H Share Class Meeting”	the class meeting of the H Shareholders to be convened on Monday, 18 May 2020 to consider and, if thought fit, approve, among other things, the proposed amendments to the Further Revised Scheme and the Appraisal Measures
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“INED’s Proxy Form(s)”	the form(s) of proxy for the solicitation of votes by Mr. Wu Dawei, an independent non-executive Director, to solicit votes from the Shareholders on the special resolutions in relation to the proposed amendments to the Further Revised Scheme and the Appraisal Measures at the AGM and the Class Meetings
“Latest Practicable Date”	14 April 2020, being the latest practicable date before the printing of this circular for ascertaining certain information for the purpose of inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“March 2019 Circular”	the circular of the Company dated 18 March 2019 in relation to the proposed adoption of the A-share share option incentive scheme (the scheme rule of which was subsequently amended and adopted as the Further Revised Scheme)
“Participant(s)”	the person(s) to be granted Share Option(s) under the Further Revised Scheme
“PRC”	the People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Board
“Reserved Share Options”	a total of 21,823,700 Share Options reserved under the Further Revised Scheme, the Participants of which shall be determined by the Board within 12 months after the Further Revised Scheme was approved by the Shareholders on 30 May 2019
“Revision Announcements”	announcements of the Company dated 22 April 2019 and 7 May 2019 in relation to, among others, certain revision to the original A-share share option incentive scheme as published in the March 2019 Circular
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Securities Law”	the Securities Law of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	A Share(s) and H Share(s)
“Share Option(s)”	the right to be granted to a Participant to acquire certain number of A Shares at a pre-determined exercise price in a particular period of time and subject to certain conditions under the Further Revised Scheme
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Meetings”	collectively, the AGM and the Class Meetings

DEFINITIONS

“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent

LETTER FROM THE BOARD



中遠海運控股股份有限公司
COSCO SHIPPING Holdings Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1919)

Directors:

Mr. XU Lirong¹ (Chairman)
Mr. WANG Haimin¹ (Vice Chairman)
Mr. YANG Zhijian¹
Mr. FENG Boming¹
Mr. YANG, Liang Yee Philip²
Mr. WU Dawei²
Mr. ZHOU Zhonghui²
Mr. TEO Siong Seng²

Registered Office:

2nd Floor, 12 Yuanhang Business Centre
Central Boulevard and East Seven Road Junction
Tianjin Port Free Trade Zone
Tianjin, the PRC

Principal place of business:

48th Floor
COSCO Tower
183 Queen's Road Central
Hong Kong

¹ *Executive Director*

² *Independent non-executive Director*

* *For identification purpose only*

20 April 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO THE FURTHER REVISED
SHARE OPTION INCENTIVE SCHEME**

I. INTRODUCTION

Reference is made to announcement of the Company dated 30 March 2020 in relation to the proposed amendments to the Further Revised Scheme and the Appraisal Measures.

The purpose of this circular is to provide you with, among other things, further details of the proposed amendments to the Further Revised Scheme and the Appraisal Measures and to seek your approval of the special resolutions relating to the aforesaid matters to be proposed at the AGM and the H Share Class Meeting.

LETTER FROM THE BOARD

II. PROPOSED AMENDMENTS

Background

The Further Revised Scheme was approved on 30 May 2019 by the Shareholders at the general meetings of the Company held on even date. As at the Latest Practicable Date, there are 190,182,200 outstanding Share Options granted under the Further Revised Scheme.

The purpose of the Further Revised Scheme is to, among others, further refine the corporate governance structure of the Company, facilitate the establishment and improvement of the incentive systems of the Company and incentivize the management and key technical personnel of the Group, thereby aligning the interests of the Shareholders, the Company and the senior management and employees of the Company together and facilitating the achievement of the mid-to long term development targets of the Company.

1. Proposed Amendments to the Further Revised Scheme

In contrast with the A-share share option scheme then proposed in December 2018, the Further Revised Scheme adopted did not include, among other amendments made, “Directors” in its scope of Participants. As disclosed in the April 2019 Announcement, in order to fully and further realize the incentive effect of a share incentive scheme on the management and key personnel of the Company and fully and further incentivize the senior to mid-level management personnel and key technical personnel, the Board then resolved that Directors shall not participate in the A-share share option scheme with the said share option scheme having its focus on senior to mid-level management and key technical personnel.

The Board has reviewed the overall implementation of the Further Revised Scheme and the grant of first batch Share Options thereunder. In order to further enhance the corporate governance of the Company and to establish a risk-and-benefit sharing mechanism to promote long-term, sustainable and healthy development of the Group to eventually maximize the return and interest of the Shareholders, the Board intends to include Directors who have entered into senior management services agreements with, and act as the principal person-in-charge of the management of day-to-day operations of, the Company and its major subsidiaries who also have a direct impact on the Company’s future development and operating performance as Participants under the Further Revised Scheme by implementing the proposed amendments.

Echoing (i) the results of the further review of the overall implementation of the Further Revised Scheme by the Board and (ii) the purposes of the Further Revised Scheme, the Board therefore proposed to include Directors in the scope of Participants again in the proposed amendments to the Further Revised Scheme. As at the Latest Practicable Date, only two executive Directors, namely, Mr. Yang Zhijian, the general manager of the Company and Mr. Feng Boming, the chairman of the board of directors of significant subsidiaries of the Group, would be qualified to be included as Participants in accordance with the proposed amendments to the Further Revised Scheme; pursuant to the regulatory requirement of SASAC, the remaining two executive Directors, being persons-in-charge of central state-owned enterprises

LETTER FROM THE BOARD

managed by the central government of the PRC and the Party committee of the SASAC, shall not participate in the Further Revised Scheme; all independent non-executive Directors and Supervisors are also not included as Participants to the Further Revised Scheme. Based on the foregoing, and to the extent the relevant regulatory requirements have been complied with, the Board is of the view that the proposed amendments to the Further Revised Scheme in practice adhere to the principles underpinning the purpose of the Further Revised Scheme.

To best protect the interest of the Company and the Shareholders, and to avoid any potential or actual conflict of interests, the relevant resolutions of the Board in relation to the proposed amendments to the Further Revised Scheme or any subsequent resolutions thereto were/will be considered only by all the independent non-executive Directors, namely, Mr. Yang, Liang Yee Philip, Mr. Wu Dawei, Mr. Zhou Zhonghui and Mr. Teo Siong Seng (or the then independent non-executive Directors), with all executive Directors abstained from voting.

The Supervisory Committee, which comprise Mr. Deng Huangjun (an employee Supervisor), Mr. Meng Yan (an independent Supervisor) and Mr. Zhang Jianping (an independent Supervisor) as at the Latest Practicable Date, is the monitoring body responsible for reviewing the list of Participants and ensuring the implementation of the Further Revised Scheme is in compliance with the relevant rules and regulations.

Based on the foregoing, among the eight Directors of the Board, the four executive Directors, including the two executive Directors Mr. Yang Zhijian and Mr. Feng Boming who are qualified to be included as Participants pursuant to the proposed amendments to the Further Revised Scheme, do not take part in the design and management of the Further Revised Scheme, and do not have any adverse effect on the formulation and implementation of the Further Revised Scheme. The Directors are of the view that the proposed amendments to the scope of Participants of the Further Revised Scheme are in the interests of the Company and the Shareholders as a whole.

As advised by the PRC legal adviser of the Company, the proposed amendments to the Further Revised Scheme are in compliance with the relevant requirements under the applicable PRC laws and regulations. The Company confirms that, solely based on the proposed amendments to the Further Revised Scheme, they do not have any material impact on the operating results of the Company.

Save and except the abovementioned proposed amendments together with the corresponding changes in such connection to the existing terms of the Further Revised Scheme (the proposed insertions and deletions are indicated by the underlined text and the strikethrough text as set out in Appendix I to this circular), all principal terms of the Further Revised Scheme remain unchanged, and the summary of which are set out in Appendix I to the March 2019 Circular and as revised/supplemented by the Revision Announcements.

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The Further Revised Scheme shall be effective for 10 years from 30 May 2019 (being the date of approval of the Further Revised Scheme by the Shareholders at the general meetings of the Company held on even date), and its remaining life as at the Latest Practicable Date is around 9 years.

As disclosed in the announcement of the Company dated 7 May 2019, the Board then proposed to grant 196,413,200 Share Options to not more than 475 Participants, which comprised senior management members of the Company and/or subsidiaries of the Company, and other key business personnel and management personnel of the Company. Subsequently, after due consideration by the Board taken into account the change in job arrangements of certain proposed grantees, the Board has approved the grant of the first batch of 192,291,000 Share Options to 465 Participants pursuant to the Further Revised Scheme on 3 June 2019. Please refer to the announcement of the Company dated 3 June 2019 for details of the grant.

As disclosed in the overseas regulatory announcement of the Company dated 25 July 2019 and its 2019 interim report, during the registration process after the date of grant (i.e. 3 June 2019), five Participants (not being senior management of the Company) did not accept the share options granted to them due to personal reasons. Under the Further Revised Scheme, the number of Participants who were granted Share Options was adjusted from 465 to 460 and the number of the Share Options granted was adjusted from 192,291,000 to 190,182,200. Since then and up to the Latest Practicable Date, no Share Options were granted pursuant to the Further Revised Scheme, and none of the Share Options granted under the Further Revised Scheme (i.e. the abovementioned 190,182,200 Share Options) were exercised, cancelled or lapsed.

The Board currently intends to, upon the approval of the proposed amendments to the Further Revised Scheme, make use of the Reserved Share Options under the Further Revised Scheme and grant the same to eligible Participants on an one-off basis by no later than 30 May 2020 with reference to the conditions to the grant of the first batch of Share Options under the Further Revised Scheme (to the extent applicable); according to the Further Revised Scheme, the Reserved Share Options with eligible Participants not determined by 30 May 2020 shall lapse. Given that the proposed amendments to the Further Revised Scheme relating to the scope of Participants are still subject to the approval of the Shareholders at the Shareholders' Meetings, as at the Latest Practicable Date, the Board has not approved or finalized any detailed list of grantees. The Company will make further announcement(s) as to the grant of Share Options, if any, in accordance with the requirements under the Listing Rules. Upon the completion of such proposed grant of reserved share options, no further Share Options would be granted under the Further Revised Scheme.

2. Proposed Amendments to the Appraisal Measures

Under the Further Revised Scheme, the Company and the Participants shall meet the performance target before the grant and the exercise of the Share Options. The Company has adopted the Appraisal Measures, which sets out the details of the appraisal measures in respect of the performance target of the Company and the Participants.

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In view of the proposed amendments to the Further Revised Scheme, it was further proposed that the scope of appraised targets of the Appraisal Measures (the “**Appraised Targets**”) be amended to reflect the proposed amendments to the scope of Participants of the Further Revised Scheme as abovementioned.

Save and except the abovementioned proposed amendments (the proposed insertions and deletions are indicated by the underlined text and the strikethrough text as set out in Appendix II to this circular), all principal terms of the Appraisal Measures remain unchanged, and the summary of which are set out in Appendix II to the March 2019 Circular and as revised/supplemented by the Revision Announcements.

III. CONDITIONS TO THE PROPOSED AMENDMENTS

The proposed amendments to the Further Revised Scheme and the Appraisal Measures are subject to the approval by the Shareholders at the Shareholders’ Meetings.

IV. IMPLICATION UNDER THE LISTING RULES

The Further Revised Scheme constitutes a share option scheme under Chapter 17 of the Listing Rules. Pursuant to Note 2 to Rule 17.02(18) of the Listing Rules, any alterations to the terms and conditions to the Further Revised Scheme which are of a material nature must be approved by the Shareholders, except where the alterations take effect automatically under its existing terms. As the proposed amendments to the Further Revised Scheme will not take effect automatically under its existing terms and are considered to be material in nature, the proposed amendments to the Further Revised Scheme will be subject to approval by the Shareholders at the Shareholders’ Meeting.

Accordingly, special resolutions will be proposed at the Shareholders’ Meetings as set out in the respective notices convening the Shareholders’ Meetings to give effect to the proposals as described above.

V. AGM AND CLASS MEETINGS

The AGM and the Class Meetings will be convened to consider and, if thought fit, approve the special resolutions in respect of, among other things, the proposed amendments to the Further Revised Scheme and the Appraisal Measures. Such resolutions will be proposed by way of special resolutions.

The AGM will be held at Conference Room, 47th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong and Ocean Hall, 5th Floor, Shanghai Ocean Hotel, No. 1171, Dong Da Ming Road, Shanghai, the PRC on Monday, 18 May 2020 at 10:00 a.m. The A Share Class Meeting will be held on the same date and at the same venue immediately after the conclusion of the AGM, and the H Share Class Meeting will be held on the same date and at the same

LETTER FROM THE BOARD

venue immediately after the conclusion of the A Share Class Meeting. A notice of the AGM and a notice of the H Share Class Meeting together with the forms of proxy and the reply slips were despatched to the Shareholders on 3 April 2020.

The register of members will be closed from Saturday, 18 April 2020 to Monday, 18 May 2020, both days inclusive, during which period no transfer of the Shares will be effected. Shareholders whose names appear in the register of members and/or H share register of members of the Company on Friday, 17 April 2020 at 4:30 p.m. are entitled to attend and vote at the AGM and/or the H Share Class Meeting. In order to attend and vote at the AGM and/or the H Share Class Meeting, all transfer documents accompanied by relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712 to 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 17 April 2020.

Pursuant to the Administrative Measures, an independent non-executive director of a company listed on the Shanghai Stock Exchange shall solicit voting rights from all shareholders of the company in the event of the proposed amendment of a share option incentive scheme by such company. The solicitation is intended to provide shareholders of such listed company with an alternative approach to participate in general meetings, so as to encourage them to vote on the resolution(s) in respect of the amendment of a share option incentive scheme.

The INED's Proxy Forms of Mr. Wu Dawei, an independent non-executive Director, to solicit votes from the Shareholders on the special resolutions in relation to the proposed amendments to the Further Revised Scheme and the Appraisal Measures at the AGM and the H Share Class Meeting, were also despatched to the Shareholders on 3 April 2020. Should you wish to appoint Mr. Wu Dawei as your proxy to vote for you and on your behalf at the AGM and/or the H Share Class Meeting, please complete the INED's Proxy Forms for the AGM and the H Share Class Meeting. Alternatively, if you wish to appoint any person other than Mr. Wu Dawei as your proxy to vote for you and on your behalf at the AGM and/or the H Share Class Meeting, you may disregard the INED's Proxy Forms and complete and return the forms of proxy for the AGM and/or the H Share Class Meeting instead. The announcement dated 3 April 2020 in relation to the public solicitation of voting rights by the independent non-executive Directors has also been published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (<http://hold.coscoshipping.com>).

Whether or not you intend to attend the AGM and/or the H Share Class Meeting, you are requested to complete and return the forms of proxy for the AGM and the H Share Class Meeting or the INED's Proxy Forms in accordance with the instructions printed thereon. The forms of proxy or the INED's Proxy Forms should be returned to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the AGM and/or the H Share Class Meeting or any adjournment thereof.

LETTER FROM THE BOARD

Completion and return of the forms of proxy or the INED's Proxy Forms will not preclude you from attending and voting in person at the AGM and the H Share Class Meeting or at any adjournment thereof should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders to be taken at a general meeting of the Company shall be taken by poll except where the Chairman, 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. An announcement of the poll results will be made by the Company after the AGM and the H Share Class Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

To best protect the interest of the Company and the Shareholders, and to avoid any potential or actual conflict of interests, Mr. Yang Zhijian, who is interested in 100,000 H Shares as at the Latest Practicable Date will abstain from voting on the relevant special resolutions to be proposed in the AGM and the H Share Class Meeting. Save as disclosed herein, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the proposed amendments to the Further Revised Scheme and therefore no other Shareholder is required to abstain from voting on the relevant special resolutions at the AGM and/or the Class Meetings.

VI. RECOMMENDATION

The independent non-executive Directors (with the executive Directors abstained from voting on the resolutions) believe that the proposed amendments to the Further Revised Scheme and the Appraisal Measures are in the best interests of the Company and the Shareholders as a whole. Accordingly, the independent non-executive Directors recommend all Shareholders to vote in favour of all the special resolutions in relation to the proposed amendments to the Further Revised Scheme and the Appraisal Measures as set out in the notices of the AGM and the Class Meetings.

VII. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of (i) the existing Further Revised Scheme; (ii) the amended Further Revised Scheme reflecting the proposed amendments; (iii) the existing Appraisal Measures; (iv) the amended Appraisal Measures reflecting the proposed amendments and (v) this circular are available for inspection at the Company's principal place of business in Hong Kong at 48th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including 18 May 2020, being the date of the Shareholders' Meetings.

LETTER FROM THE BOARD

VIII. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By Order of the Board
COSCO SHIPPING Holdings Co., Ltd.
Guo Huawei
Company Secretary

Details of the proposed amendments to the Further Revised Scheme* upon Shareholders' approval, showing insertions in underline and deletion in strikethrough, is as follows:

Further Revised Scheme	
Original statements	Proposed amended statements
<p>Declaration</p> <p>...</p> <p>2. The Participants do not include any Directors of the Company; Supervisors of the Company; Shareholders or <i>de facto</i> controllers (or their respective spouses, parents, or children) who individually or collectively hold more than 5% of the shares of the Company...</p>	<p>Declaration</p> <p>...</p> <p>2. The Participants do not include any <u>independent</u> Directors of the Company; Supervisors of the Company; Shareholders or <i>de facto</i> controllers (or their respective spouses, parents, or children) who individually or collectively hold more than 5% of the shares of the Company...</p>
<p>Chapter 3 – Article 1 – Basis of determining the Participants</p> <p>1. The Participants in principle include senior management and key management and technical personnel of the Company who have direct impact on the overall results and continuous development of the Company who are employed by the Group...</p> <p>2. If a Participant is a chief executive or substantial Shareholder or any of their respective associates (as defined in the Listing Rules), each grant of the Share Options to any of the abovementioned persons shall be approved by the independent Directors;</p> <p>3. Directors and Supervisors of the Company shall not be Participants;</p>	<p>Chapter 3 – Article 1 – Basis of determining the Participants</p> <p>1. The Participants in principle include <u>Directors (excluding independent Directors); the senior management (including, among others, the general manager, deputy general managers, chief financial officer and secretary to the Board of the Company); and other key management personnel of the Company (i.e. and key management and technical personnel of the Company who have direct impact on the overall results and continuous development of the Company and its subsidiaries)</u> who are employed by the Group...</p> <p>2. If a Participant is a <u>Director (excluding independent Directors)</u>, chief executive or substantial Shareholder or any of their respective associates (as defined in the Listing Rules), each grant of the Share Options to any of the abovementioned persons shall be approved by the independent Directors;</p> <p>3. <u>Independent</u> Directors and Supervisors of the Company shall not be Participants;</p>
<p>Chapter 3 – Article 2 – Scope of Participants</p> <p>...</p> <p>The eligibility for the Reserved Share Options shall be determined with reference to the basis for determination of the grant of the Share Options under this Scheme.</p>	<p>Chapter 3 – Article 2 – Scope of Participants</p> <p>...</p> <p>The eligibility for the Reserved Share Options shall be determined with reference to the <u>basis principles</u> for determination of the <u>Participants grant of the Share Options</u> under this Scheme.</p>

Further Revised Scheme	
Original statements	Proposed amended statements
<p>Chapter 4 – Article 3 – Total amount of grant</p> <p>...</p> <p>Participants eligible for the Reserved Share Options shall be determined by the Board within 12 months after the Scheme is considered and approved by the Shareholders with reference to the basis for determination of the grant of the Share Options under the Scheme...</p>	<p>Chapter 4 – Article 3 – Total amount of grant</p> <p>...</p> <p>Participants eligible for the Reserved Share Options shall be determined by the Board within 12 months after the Scheme is considered and approved by the Shareholders with reference to the basis-principles for determination of the <u>Participants grant of the Share Options under the Scheme</u>...</p>
<p>Chapter 5 – Article 2 – Date of Grant</p> <p>...if the Participant is a senior management member of the Company, no Share Option may be granted during (a) the period commencing from 60 days immediately preceding the publication date of the Company’s annual results announcement and ending on the publication date of the Company’s annual results announcement (including the date of the relevant announcement);...</p>	<p>Chapter 5 – Article 2 – Date of Grant</p> <p>...if the Participant is a <u>Director (excluding independent Directors)</u> or senior management member of the Company, no Share Option may be granted during (a) the period commencing from 60 days immediately preceding the publication date of the Company’s annual results announcement and ending on the publication date of the Company’s annual results announcement (including the date of the relevant announcement);...</p>
<p>Chapter 5 – Article 5 – Lock-up period</p> <p>...</p> <p>(i) where the Participant is a member of the senior management of the Company, the number of Shares which may be transferred by the Participant each year during his/her tenure of office shall not exceed 25% of the total number of the Shares held by him/her, and the Participant shall not transfer any Shares held by him/her within six months after his/her resignation from the positions held in the Company, its subsidiaries and investees;</p>	<p>Chapter 5 – Article 5 – Lock-up period</p> <p>...</p> <p>(i) where the Participant is a <u>Director (excluding independent Directors)</u> or member of the senior management of the Company, the number of Shares which may be transferred by the Participant each year during his/her tenure of office shall not exceed 25% of the total number of the Shares held by him/her, and the Participant shall not transfer any Shares held by him/her within six months after his/her resignation from the positions held in the Company, its subsidiaries and investees;</p>

Further Revised Scheme	
Original statements	Proposed amended statements
<p>(ii) where the Participant is a member of senior management of the Company and he/she disposes of the Shares within six months of the acquisition or buys back the Shares within six months after the disposal, all gains arising therefrom shall be vested with the Company and the Board will forfeit all such gains;</p> <p>(iii) if, during the Validity Period, there is any amendment to the requirements regarding transfer of Shares by a senior management member of the Company under the Company Law, the Securities Law, the Listing Rules, the SFO and other relevant laws and regulations and the Articles of Association, the amended restrictions shall apply.</p>	<p>(ii) where the Participant is a <u>Director (excluding independent Directors)</u> or member of senior management of the Company and he/she disposes of the Shares within six months of the acquisition or buys back the Shares within six months after the disposal, all gains arising therefrom shall be vested with the Company and the Board will forfeit all such gains;</p> <p>(iii) if, during the Validity Period, there is any amendment to the requirements regarding transfer of Shares by a <u>Director (excluding independent Directors)</u> or senior management member of the Company under the Company Law, the Securities Law, the Listing Rules, the SFO and other relevant laws and regulations and the Articles of Association, the amended restrictions shall apply.</p>
<p>Chapter 7 – Article 3 – Conditions of exercise ...in order to protect the interests of the minority Shareholders and potential investors of the Company, in connection with the non-public issuance of A Shares by the Company, the senior management of the Company have undertaken to ensure the Company’s strict implementation of the Remedial Measures of the Current Return. For the senior management of the Company who are also Participants under the Share Option Incentive Scheme, in addition to the fulfilment of the individual performance targets by the relevant Participants, the exercisability of the Share Options of such Participants shall also be linked to the implementation of the Remedial Measures of the Current Return by the Company.</p>	<p>Chapter 7 – Article 3 – Conditions of exercise ...in order to protect the interests of the minority Shareholders and potential investors of the Company, in connection with the non-public issuance of A Shares by the Company, the <u>Directors (excluding independent Directors)</u> and senior management of the Company have undertaken to ensure the Company’s strict implementation of the Remedial Measures of the Current Return. For the <u>Directors (excluding independent Directors)</u> and senior management of the Company who are also Participants under the Share Option Incentive Scheme, in addition to the fulfilment of the individual performance targets by the relevant Participants, the exercisability of the Share Options of such Participants shall also be linked to the implementation of the Remedial Measures of the Current Return by the Company.</p>

Further Revised Scheme	
Original statements	Proposed amended statements
<p>Chapter 12 – Article 1 – Implementation and review of the scheme</p> <p>...</p> <p>2. the Board is responsible for reviewing the draft of the Scheme;</p> <p>3. ... If a Participant is a chief executive or substantial Shareholder or any of their respective associates (as defined in the Listing Rules), each grant of the Share Options to any of the abovementioned persons shall be approved by the independent Directors;</p>	<p>Chapter 12 – Article 1 – Implementation and review of the scheme</p> <p>...</p> <p>2. the Board is responsible for reviewing the draft of the Scheme, <u>Directors who become Participants of the Scheme shall abstain from voting;</u></p> <p>3. ... If a Participant is a <u>Directors (excluding independent Directors)</u>, chief executive or substantial Shareholder or any of their respective associates (as defined in the Listing Rules), each grant of the Share Options to any of the abovementioned persons shall be approved by the independent Directors;</p>
<p>Chapter 12 – Article 3 – Procedures of exercise of share options</p> <p>...</p> <p>(v) The Participants may transfer the Shares upon the exercise of the Share Options, but the transfer of the Shares held by senior management shall comply with relevant laws and regulations and regulatory documents;</p>	<p>Chapter 12 – Article 3 – Procedures of exercise of share options</p> <p>...</p> <p>(v) The Participants may transfer the Shares upon the exercise of the Share Options, but the transfer of the Shares held by <u>Directors and</u> senior management shall comply with relevant laws and regulations and regulatory documents;</p>
<p>Chapter 14 – Article 2</p> <p>The Company will report and disclosure information on the implementation of this Scheme in the reporting period, including:</p> <p>...</p> <p>(v) name, position and details of each of the grant, vesting and/or exercise of Share Options of the senior management during the reporting period.</p> <p>...</p>	<p>Chapter 14 – Article 2</p> <p>The Company will report and disclosure information on the implementation of this Scheme in the reporting period, including:</p> <p>...</p> <p>(v) name, position and details of each of the grant, vesting and/or exercise of Share Options of the <u>Directors and/or</u> senior management during the reporting period.</p> <p>...</p>

* The Further Revised Scheme and its amendments were in Chinese, without a formal English version. As such, any English translation shall be for reference only. In case of any discrepancies, the Chinese version shall prevail.

Details of the proposed amendments to the Appraisal Measures* upon Shareholders' approval, showing insertions in underline and deletion in strikethrough, is as follows:

Appraisal Measures	
Original statements	Proposed amended statements
<p>Article 1 – 3. Appraised Targets</p> <p>The Appraisal Measures is applicable to the Participants, including the senior management and management and technical personnel of the Company who have direct impact on the overall results and continuous development of the Company.</p>	<p>Article 1 – 3. Appraised Targets</p> <p>The Appraisal Measures is applicable to the Participants, including the <u>Directors (excluding independent Directors)</u>; senior management <u>(including, among others, the general manager, deputy general managers, chief financial officer and secretary to the Board of the Company)</u>; and <u>other key management personnel of the Company (i.e. management and technical personnel of the Company who have direct impact on the overall results and continuous development of the Company and its subsidiaries).</u></p>

* The Appraisal Measures and its amendments were in Chinese, without a formal English version. As such, any English translation shall be for reference only. In case of any discrepancies, the Chinese version shall prevail.