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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)

INSIDE INFORMATION

PROPOSED ISSUANCE OF CORPORATE BONDS

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Hong Kong Listing Rules and the Inside Information Provisions (as defined under the Hong Kong Listing Rules) under Part XIVA of the SFO.

The Board is pleased to announce that, on 30 March 2023, the Board has approved the Proposed Issuance of Corporate Bonds, pursuant to which the Company proposes to issue Corporate Bonds in the aggregate principal amount of not more than RMB8 billion (inclusive) in one or multiple tranches to professional investors under the General Mandate.

The completion of the Proposed Issuance of Corporate Bonds is subject to, among other things, the approval of the Shanghai Stock Exchange and the registration with the CSRC and may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

INTRODUCTION

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PROPOSED ISSUANCE OF CORPORATE BONDS

The details of the Proposed Issuance of Corporate Bonds are set out below:

- Issue size:** The aggregate principal amount of the Corporate Bonds shall be not more than RMB8 billion (inclusive). The actual size of the Proposed Issuance of Corporate Bonds shall be determined by the Board (or persons authorised by the Board) based on the market conditions and the capital needs of the Company in accordance with the General Mandate.
- Method of issuance:** The Proposed Issuance of Corporate Bonds shall be conducted through public issuance in one or multiple tranches after the approval by the Shanghai Stock Exchange and the registration with the CSRC. The specific method of issuance of the Proposed Issuance of Corporate Bonds shall be determined by the Board (or persons authorised by the Board) based on the capital needs of the Company and the prevailing market conditions at the time of issuance in accordance with the General Mandate.
- Target investors and arrangement for placement to Shareholders of the Company:** The Corporate Bonds shall be issued publicly to professional investors only, the scope of which shall be determined by the Board (or persons authorised by the Board) pursuant to the relevant regulations of the CSRC, Shanghai Stock Exchange and Securities Association of China. There will not be preferential offering of the Corporate Bonds to the existing Shareholders under the Proposed Issuance of Corporate Bonds.
- Term:** The Corporate Bonds shall have a term of not more than 10 years (inclusive) and may take the form of single term or a combination of multiple categories with different terms.
- The specific terms of maturity and the issue size of each category shall be determined by the Board (or persons authorised by the Board) before the issuance based on the capital needs of the Company and the prevailing market conditions at the time of issuance in accordance with the General Mandate.
- Interest rate and its determination method:** The Corporate Bonds shall carry a fixed interest rate calculated by way of simple interest on an annual basis without any compound interest.
- The coupon rate for the Corporate Bonds shall be determined through negotiation between the Company and the lead underwriter within the ranges of the indicative coupon rates based on the results of book-building among professional investors offline.
- Face value and issue price:** The Corporate Bonds shall have a face value of RMB100 and shall be issued at par at the face value.

Use of proceeds:	The proceeds from the Proposed Issuance of Corporate Bonds will be used to adjust the debt structure of the Company, repay matured debts, and for other purposes permitted by relevant applicable laws and regulations and/or regulatory authorities (where relevant regulatory authorities specify the use of proceeds, such requirements shall prevail).
	The specific use of proceeds will be determined by the Board (or persons authorised by the Board) based on the capital needs of the Company within the above scope in accordance with the General Mandate.
Terms of redemption or sale back:	The Board (or persons authorised by the Board) will determine whether the Corporate Bonds will have any terms for redemption or sale back and the details thereof (if any) based on the relevant rules and the prevailing market conditions in accordance with the General Mandate.
Method of repayment of principal and interest:	The repayment of principal and interest of the Corporate Bonds shall be based on the list of bondholders in accordance with the relevant regulations of the securities registration institution. The method of payment of principal and interest and other specific arrangements shall be handled according to the relevant regulations of the securities registration institution, and the interest shall be paid once a year.
Listing arrangement:	Upon completion of the issuance of Corporate Bonds, the Company will, subject to the satisfaction of the conditions for listing, apply for the listing of the Corporate Bonds on the Shanghai Stock Exchange.
	The matters in relation to the listing and dealing of the Corporate Bonds upon registration and issuance shall be handled by the Board (or persons authorised by the Board) in accordance with relevant rules.
Guarantee:	The Corporate Bonds are not guaranteed.

**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, subject to the applicable laws and regulations and the articles of association of the Company, the following measures shall at least be taken:

1. profit distribution shall not be made to the Shareholders;
2. capital expenditure projects such as major external investment, acquisitions and mergers shall be suspended;
3. payment of salaries and bonuses to the Directors and senior management personnel shall be reduced or suspended; and
4. key responsible personnel shall not be transferred to other posts, among other measures.

Validity of the resolutions: The resolutions in relation to the Proposed Issuance of Corporate Bonds shall become effective from the date of passing of such resolutions by the Board, and shall remain valid for 24 months from the date of the approval of registration of the Proposed Issuance of Corporate Bonds by the CSRC. If the Board or persons authorised by the Board have determined the issuance or partial issuance of the bonds within the validity period of the aforementioned mandate, and the Company has obtained the approval or permission of issuance from, or completed the filing or registration with, the regulatory authority (if applicable) within the validity period of the mandate, the Company may complete the issuance or partial issuance of the Corporate Bonds within the validity period confirmed in such approval, permission, filing or registration.

As the extraordinary general meeting of the Company has deliberated and passed a special resolution on the proposed grant of General Mandate to issue Corporate Bonds, and authorized the Board of the Company to decide on matters related to the issuance of the Corporate Bonds, the Company will report to the regulatory authorities in accordance with relevant procedures, and the final plan approved by the Shanghai Stock Exchange and registered with the CSRC shall prevail.

For further details on the proposed grant of General Mandate to issue Corporate Bonds, please refer to the announcement dated 2 February 2023, the circular dated 8 February 2023, and the poll results of the extraordinary general meeting dated 27 February 2023 of the Company.

REASONS FOR AND BENEFITS OF THE PROPOSED ISSUANCE OF CORPORATE BONDS

The proceeds from the Proposed Issuance of Corporate Bonds will be used to adjust the debt structure of the Company, repay matured debts, and for purposes permitted by relevant applicable laws and regulations and/or regulatory authorities (where relevant regulatory authorities specify the use of proceeds, such requirements shall prevail). The specific purposes of the proceeds shall be determined within the above scope based on the mandate granted by the general meeting to the Board or persons authorised by the Board taking into account the Company's financial position and capital needs.

The Board is of the view that the Proposed Issuance of Corporate Bonds is conducive to optimizing the debt structure of the Company, expanding the Company's financing pipeline, reducing the Company's finance costs, and facilitating the stable and sound development of the Company.

The completion of the Proposed Issuance of Corporate Bonds is subject to, among other things, the approval of the Shanghai Stock Exchange and the registration with the CSRC and may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context requires otherwise, capitalised terms used in this announcement shall have the meanings as follows:

“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
“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 incorporated in the PRC with limited liability, 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
“Corporate Bonds”	the corporate bonds to be issued under the Proposed Issuance of Corporate Bonds
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Board by a special resolution of the Shareholders passed at the extraordinary general meeting of the Company held on 27 February 2023 to handle all matters in connection with the issuance of Corporate Bonds
“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
“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

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Issuance of Corporate Bonds”	the proposed issuance of corporate bonds of the Company in the aggregate principal amount of not more than RMB8 billion (inclusive)
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the A Share(s) and the H Share(s)

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

Shanghai, the People’s Republic of China
30 March 2023

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. Lu Jianzhong, Ms. Zhang Weihua, Mr. Shao Ruiqing and Mr. Chan Kwok Leung, being independent non-executive directors.

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