
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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) 2022 REPORT OF THE BOARD**
- (2) 2022 REPORT OF THE SUPERVISORY COMMITTEE**
- (3) 2022 FINANCIAL STATEMENTS AND AUDITORS' REPORT**
- (4) 2022 ANNUAL REPORT**
- (5) 2022 PROFIT DISTRIBUTION PLAN**
- (6) REMUNERATION OF DIRECTORS AND SUPERVISORS FOR THE YEAR 2023**
- (7) RE-APPOINTMENT OF DOMESTIC AUDITOR, INTERNAL CONTROL AUDITOR
AND INTERNATIONAL AUDITOR FOR THE YEAR 2023**
- (8) PROVISION OF GUARANTEES**
- (9) PROPOSED GRANT OF GENERAL MANDATE TO REPURCHASE H SHARES**
- (10) NOTICE OF ANNUAL GENERAL MEETING
AND**
- (11) NOTICE OF H SHAREHOLDERS' CLASS MEETING**

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 5 to 15 of this circular.

The Notice of AGM convening the AGM to be held at 1:30 p.m. on Wednesday, 28 June 2023 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC is set out on pages AGM-1 to AGM-5 of this circular. A notice of the H Shareholders' Class Meeting to be held on the same date and at the same place immediately after the A Shareholders' Class Meeting (which is to be held immediately after the AGM on the same date and at the same place), is set out on pages HCM-1 to HCM-5 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."*

CONTENTS

| | <i>Page</i> |
|--------------------------------------------------------------------------------------------------------|-------------|
| DEFINITIONS | 1 |
| LETTER FROM THE BOARD | 5 |
| APPENDIX I – WORK REPORT OF INDEPENDENT DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 | I-1 |
| APPENDIX II – EXPLANATORY STATEMENT | II-1 |
| NOTICE OF AGM | AGM-1 |
| NOTICE OF H SHAREHOLDERS’ CLASS MEETING | HCM-1 |

DEFINITIONS

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) |
| “A Shareholders’ Class Meeting” | the forthcoming class meeting of the A Shareholders to be convened immediately after the AGM on the same date and at the same place of the AGM |
| “AGM” | the forthcoming annual general meeting of the Company to be convened at 1:30 p.m. on Wednesday, 28 June 2023 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC (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 |
| “associates” | has the meaning ascribed to it under the Hong Kong Listing Rules |
| “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 |
| “connected person(s)” | has the meaning ascribed to it under the Hong Kong Listing Rules |
| “controlling shareholder” | has the meaning ascribed to it under the Hong Kong Listing Rules |

DEFINITIONS

| | |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “COSCO SHIPPING” | China COSCO Shipping Corporation Ltd.# (中國遠洋海運集團有限公司), a PRC state-owned enterprise and an indirect controlling shareholder of the Company |
| “COSCO SHIPPING Development 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 Group” | COSCO SHIPPING and its subsidiaries and/or associates |
| “CS Development Hainan” | COSCO SHIPPING Development (Hainan) Co., Ltd.# (海南中遠海運發展有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company |
| “CS Development (Tianjin) Leasing” | COSCO SHIPPING Development (Tianjin) Leasing Co., Ltd.# (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 a wholly-owned subsidiary of the Company |
| “CSRC” | China Securities Regulatory Commission (中國證券監督管理委員會) |
| “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 a wholly-owned subsidiary of the Company |
| “Florens Container” | Florens Container Industry Limited, a company incorporated under the laws of British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company |
| “Florens Maritime” | Florens Maritime Limited, a company incorporated under the laws of Bermuda with limited liability and a 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 |

DEFINITIONS

| | |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Guaranteed Subsidiaries” | collectively, COSCO SHIPPING HK, Oriental Fleet Pulp 01, Xinyuan Shipping Container, Florens Container, CS Development Hainan, Oriental Fleet, Florens Maritime, and CS Development (Tianjin) Leasing |
| “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) |
| “H Shareholders’ Class Meeting” | the forthcoming class meeting of the H Shareholders to be convened on the same date and at the same place immediately after the A Shareholders’ Class Meeting (which is to be held immediately after the AGM on the same date and at the same place) |
| “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 |
| “Latest Practicable Date” | 1 June 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Notice of AGM” | the notice of the AGM dated 6 June 2023, which is set out on AGM-1 to AGM-5 of this circular |
| “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 a wholly-owned subsidiary of the Company |
| “Oriental Fleet Pulp 01” | Oriental Fleet Pulp 01 Limited (東方富利紙漿01有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company |

DEFINITIONS

| | |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Overseas Regulatory Announcement” | the overseas regulatory announcement of the Company dated 22 May 2023 in relation to the Provision of Guarantees |
| “Provision of Guarantees” | the proposed provisions of guarantees in the aggregate amounts of not exceeding RMB2.1 billion and US\$3.6 billion for the Guaranteed Subsidiaries and the relevant authorisation to the Board, further details of which are set out in the Overseas Regulatory Announcement |
| “PRC Company Law” | PRC Company Law (《中華人民共和國公司法》) and its amendments issued from time to time |
| “Register of Members” | the register of H Shares members of the Company |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| “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 |
| “US\$” | United States dollar, the lawful currency of the United States of America |
| “Xinyuan Shipping Container” | Shanghai Xinyuan Shipping Container Financial Leasing Co., Ltd. [#] (上海新遠海集融資租賃有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company |
| “%” | per cent |

* *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.”.*

[#] *For identification purposes only*

LETTER FROM THE BOARD



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. Liu Chong (*Chairman*)
Mr. Zhang Mingwen

Non-executive Directors:

Mr. Huang Jian
Mr. Liang Yanfeng
Mr. Ip Sing Chi

Independent Non-executive Directors:

Mr. Lu Jianzhong
Ms. Zhang Weihua
Mr. Shao Ruiqing
Mr. Chan Kwok Leung

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:

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

6 June 2023

To the Shareholders

Dear Sir/Madam,

- (1) 2022 REPORT OF THE BOARD
- (2) 2022 REPORT OF THE SUPERVISORY COMMITTEE
- (3) 2022 FINANCIAL STATEMENTS AND AUDITORS' REPORT
- (4) 2022 ANNUAL REPORT
- (5) 2022 PROFIT DISTRIBUTION PLAN
- (6) REMUNERATION OF DIRECTORS AND SUPERVISORS FOR THE YEAR 2023
- (7) RE-APPOINTMENT OF DOMESTIC AUDITOR, INTERNAL CONTROL AUDITOR
AND INTERNATIONAL AUDITOR FOR THE YEAR 2023
- (8) PROVISION OF GUARANTEES
- (9) PROPOSED GRANT OF GENERAL MANDATE TO REPURCHASE H SHARES
- (10) NOTICE OF ANNUAL GENERAL MEETING
AND
- (11) NOTICE OF H SHAREHOLDERS' CLASS MEETING

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide you with, among other things:

- (i) such information as is reasonably necessary to enable you to make an informed decision as to whether to vote for or against the resolutions to be proposed at the AGM and the H Shareholders' Class Meeting;
- (ii) further details of the shareholders' resolutions to be proposed at the AGM and the H Shareholders' Class Meeting.

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

- (i) the report of the Board for the year ended 31 December 2022;
- (ii) the report of the Supervisory Committee for the year ended 31 December 2022;
- (iii) the audited financial statements and the auditors' report of the Group for the year ended 31 December 2022;
- (iv) the annual report of the Company for the year ended 31 December 2022;
- (v) the proposed profit distribution plan of the Company and the proposed payment of a final dividend of RMB0.087 per Share (inclusive of applicable tax) for the year ended 31 December 2022;
- (vi) the remuneration of the Directors and the Supervisors for the year 2023;
- (vii) the re-appointment of the domestic auditor, the internal control auditor and international auditor for the year 2023;

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

- (i) the Provision of Guarantees;
- (ii) Proposed Grant of General Mandate to Repurchase H Shares.

At the AGM, the report below will be proposed for Shareholders' review without voting by Shareholders:

- (i) the work report of the independent non-executive Directors for the year ended 31 December 2022.

At the H Shareholders' Class Meeting, special resolution will be proposed to approve:

- (i) Proposed Grant of General Mandate to Repurchase H Shares.

LETTER FROM THE BOARD

II. REPORT OF THE BOARD FOR THE YEAR ENDED 31 DECEMBER 2022

An ordinary resolution will be proposed at the AGM to approve the report of the Board for the year ended 31 December 2022. The full text of the aforesaid report of the Board is set out in the annual report of the Company which has been despatched to the Shareholders on 25 April 2023.

The report of the Board for the year ended 31 December 2022 was considered and approved by the Board on 30 March 2023 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

III. REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2022

An ordinary resolution will be proposed at the AGM to approve the report of the Supervisory Committee for the year ended 31 December 2022. 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 25 April 2023.

The Supervisory Committee is comprised of (i) two Supervisors Mr. Ye Hongjun, Ms. Zhu Mei, who were representatives of the controlling shareholders of the Company elected at a general meeting; and (ii) one employee Supervisor Mr. Zhao Xiaobo, who was a representative of the employees of the Company elected by the employees of the Company.

The report of the Supervisory Committee for the year ended 31 December 2022 was considered and approved by the Supervisory Committee on 30 March 2023 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

IV. AUDITED FINANCIAL STATEMENTS AND AUDITORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022. 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 25 April 2023.

The audited financial statements and the auditors' report of the Group for the year ended 31 December 2022 was considered and approved by the Board on 30 March 2023 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

LETTER FROM THE BOARD

V. 2022 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 2022. 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 25 April 2023.

The 2022 annual report was considered and approved by the Board on 30 March 2023 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

VI. 2022 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 2022 in accordance with the Articles of Association.

According to the China Accounting Standards for Business Enterprises, the net profit attributable to shareholders of the listed company in the consolidated financial statements for 2022 was RMB3,921,557,380.86, the parent company achieved net profit of RMB2,219,052,876.31 in 2022, with statutory surplus reserve of RMB221,905,287.63, plus undistributed profits of RMB3,609,419,991.46 at the beginning of the year, less the profit distribution of RMB3,057,194,836.90 for 2022, and the parent company's profit available for distribution at the end of 2022 was RMB2,549,372,743.24. The Board has resolved to distribute profits for the year 2022 on the basis of the total share capital registered on the date of registration of equity distribution less the number of shares in the Company's repurchase special account. The Board proposed the payment of a final dividend of RMB0.087 per Share (inclusive of applicable tax) for the year ended 31 December 2022.

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 within two months after the approval at the AGM on or around 28 July 2023.

The 2022 profit distribution plan was considered and approved by the Board on 30 March 2023 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

LETTER FROM THE BOARD

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 2022 to non-resident enterprise shareholders as appearing on the Register of Members. Any Shares not registered in the name of an individual 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, foreign 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 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 (Caishui [2014] No. 81) (《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》(財稅[2014]81號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC:

LETTER FROM THE BOARD

- (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;
- (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 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

LETTER FROM THE BOARD

- (iii) for dividends received by mainland enterprise 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 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.

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 2022

For the purpose of determining the H Shareholders' entitlement to the proposed final dividend for the year ended 31 December 2022, the Register of Members will be closed from 8 July 2023 to 13 July 2023 (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 13 July 2023 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 7 July 2023.

VII. REMUNERATION OF DIRECTORS AND SUPERVISORS FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the remuneration of the Directors and the Supervisors for the year 2023, details of which are as follows:

- (i) the Directors and the Supervisors, who are nominated by the controlling shareholders and are employed and remunerated by China COSCO SHIPPING Corporation Limited and its direct subsidiaries, shall receive no remuneration from the Company as they have been remunerated by China COSCO SHIPPING Corporation Limited or its direct subsidiaries; and the external Directors shall receive remuneration based on the remuneration standard for the independent Directors;
- (ii) the Directors and the employee Supervisors, who are employed as management or non-management personnel of the Company, shall receive remuneration after the remuneration proposal of their position has been approved, and shall receive no additional remuneration as a Director or an employee Supervisor; and

LETTER FROM THE BOARD

- (iii) the remuneration standard for the onshore independent Directors who are residents in the PRC is RMB150,000 per year (before tax). The remuneration standard for the offshore independent Directors who are residents outside the PRC is RMB300,000 per year (before tax). Both onshore independent Directors and offshore independent Directors shall perform their duties and functions as independent Directors of the Company.

Taking into account (i) remuneration arrangement for comparable companies incorporated in the PRC and (ii) the recommendation of the Audit Committee, the Board considers the above compensation arrangement is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

The abovementioned resolution in relation to the remuneration of the Directors and Supervisors was considered and approved by the Board on 30 March 2023 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

VIII. RE-APPOINTMENT OF DOMESTIC AUDITOR, INTERNAL CONTROL AUDITOR AND INTERNATIONAL AUDITOR FOR THE YEAR 2023

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 LLP as the Company's domestic auditor for the year of 2023, with remuneration of RMB5.28 million (inclusive of applicable tax);
- (ii) to re-appoint ShineWing Certified Public Accountants LLP as the Company's internal control auditor for the year of 2023, with remuneration of RMB0.92 million (inclusive of applicable tax); and
- (iii) to re-appoint SHINEWING (HK) CPA Limited as the international auditor of the Company for the year of 2023, with remuneration of RMB4.96 million (inclusive of applicable tax).

The abovementioned resolutions in relation to the re-appointment of the domestic auditor, the internal control auditor and the appointment of the international auditor of the Company for the year of 2023 were considered and approved by the Board on 30 March 2023 and will be submitted, by way of ordinary resolutions, for the Shareholders' consideration and approval at the AGM.

LETTER FROM THE BOARD

IX. PROVISION OF GUARANTEES

As disclosed in the Overseas Regulatory Announcement, on 22 May 2023, the Board resolved that the Company, FIL shall provide the following guarantees for the Guaranteed Subsidiaries in the aggregate amounts of not exceeding RMB2.1 billion and US\$3.6 billion during the period from 1 July 2023 to 30 June 2024 and the relevant authorization 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\$2.50 billion;
- (ii) the provision of guarantee for Oriental Fleet Pulp 01 by the Company in the amount of not exceeding US\$0.05 billion;
- (iii) the provision of guarantee for Florens Container by the Company in the amount of not exceeding US\$0.1 billion;
- (iv) the provision of guarantee for Xinyuan Shipping Container by the Company in the amount of not exceeding RMB1.0 billion;
- (v) the provision of guarantee for CS Development Hainan by the Company in the amount of not exceeding RMB0.6 billion;
- (vi) the provision of guarantee for Oriental Fleet by the Company in the amount of not exceeding US\$0.45 billion;
- (vii) the provision of guarantee for Florens Maritime by the Company in the amount of not exceeding US\$0.4 billion;
- (viii) the provision of guarantee for CS Development (Tianjin) Leasing by the Company in the amount of not exceeding RMB0.5 billion; and
- (ix) the provision of guarantee for Florens Maritime by FIL in the amount of not exceeding US\$0.1 billion.

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

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

X. PROPOSED GRANT OF GENERAL MANDATE TO REPURCHASE H SHARE

In order to maintain the value of the Company and the interests of the Shareholders and give the Company the flexibility to repurchase Shares if and when appropriate, the resolution in relation to the proposed grant of the H Share Repurchase Mandate was considered and

LETTER FROM THE BOARD

approved by the Board on 22 May 2023. The resolution in relation to the proposed grant of the H Share Repurchase Mandate will be proposed by way of special resolution for consideration and approval at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, details of which are set out below and in the notices of the AGM and the H Shareholders' Class Meeting contained in this circular.

Pursuant to the H Share Repurchase Mandate, the total number of H Shares repurchased by the Company with its self-raised funds during the Relevant Period (as defined below) shall not exceed 10% of the total number of H Shares in issue as at the date of consideration and approval of the resolution in relation to the grant of the H Share Repurchase Mandate at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

For the purpose of the H Share Repurchase Mandate, the "Relevant Period" means the period from the date of passing of the special resolution in relation to the grant of the H Share Repurchase Mandate at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of the resolution; or
- (ii) the date on which the H Share Repurchase Mandate is revoked or varied by a special resolution at any general meeting, A Shareholders' class meeting and H Shareholders' class meeting of the Company.

If, during the Relevant Period, the Board or the authorised person of the Board has signed the necessary documents, completed the necessary formalities, and such documents, formalities may need to be performed, carried out or continued after the end of the Relevant Period, the Relevant Period will be extended accordingly.

The proposed grant of the H Share Repurchase Mandate is only an authorisation to the Board at the AGM to deal with matters relating to the repurchase of Shares. Upon consideration and approval at the general meeting, the Company will determine the timing for implementing the repurchase based on the Company's actual situation and share price performance in compliance with the relevant requirements of the Hong Kong Listing Rules. An explanatory statement containing information regarding the proposed grant of the H Share Repurchase Mandate is set out in Appendix II to this circular. The proposed grant of the general mandate to repurchase H Shares is subject to the approval of the Shareholders at the AGM and the approval of A Shareholders and H Shareholders at the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, respectively, by way of special resolution.

XI. WORK REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

At the AGM, the work report of the independent Directors for the year ended 31 December 2022 will be proposed for Shareholders' review without voting by Shareholders. 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.

LETTER FROM THE BOARD

XII. AGM AND CLASS MEETINGS

The AGM of the Company will be held at 1:30 p.m. on Wednesday, 28 June 2023 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC, the A Shareholders' Class Meeting will be held at the same place immediately after the conclusion of the AGM, and the H Shareholders' Class Meeting will be held at the same place immediately after the conclusion of the A Shareholders' Class Meeting.

The AGM will be convened for the Shareholders to consider and, if thought fit, approve the above resolutions. The resolutions in relation to (i) 2022 report of the Board; (ii) 2022 report of the Supervisory Committee; (iii) 2022 financial statements and auditors' report; (iv) 2022 annual report; (v) 2022 profit distribution plan; (vi) remuneration of Directors and Supervisors for the year 2023; and (vii) re-appointment of domestic auditor, internal control auditor and international auditor for the year 2023 will be submitted, by way of ordinary resolutions, for the Shareholders' approval at the AGM. The resolutions in relation to (i) provision of guarantees and (vi) the proposed grant of general mandate to repurchase H Shares will be submitted, by way of special resolutions, for the Shareholders' approval at the AGM. The H Shareholders' Class Meeting will be convened to consider and, if thought fit, approve the special resolution in respect of the proposed grant of the H Share Repurchase Mandate. The voting in relation to such resolutions will be conducted by way of poll.

At the AGM, the work report of the independent Directors for the year ended 31 December 2022 will be proposed for Shareholders' review without voting by Shareholders.

The Notice of the AGM, which contains the resolutions to be proposed at the AGM and the report for Shareholders' review without voting by Shareholders, is set out on pages AGM-1 to AGM-5 of this circular. The notice of the H Shareholders' Class Meeting, which contains the resolution to be proposed at the H Shareholders' Class Meeting, is set out on pages HCM-1 to HCM-5 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.

By order of the Board
COSCO SHIPPING Development Co., Ltd.*
Cai Lei
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."*

COSCO SHIPPING Development Co., Ltd.
2022 Work Report of the Independent Directors

According to the relevant provisions of laws and regulations including the Company Law, the Securities Law, Rules for Independent Directors of Listed Companies and the Articles of Association and the Rules for Independent Non-executive 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 2022 Work Report of Independent Directors as follows.

I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTORS**(i) Personal working experience, professional background and part-time engagement**

Members of the sixth session of the Board of the Company comprise 4 independent non-executive Directors: Mr. Cai Hongping, Mr. Lu Jianzhong, Ms. Zhang Weihua and Mr. Shao Ruiqing with their work history, professional background and part-time status as follows:

Mr. Cai Hongping (蔡洪平)

Born in 1954, Mr. Cai is an independent non-executive Director of the sixth session of the Board of the Company with his term of office expiring in February 2023. Mr. Cai Hongping is also the chairman of AGIC Capital, 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 independent director of BYD Company Limited, which was listed on the Shenzhen Stock Exchange with the stock code 002594.SZ) and a supervisor of China Merchants Bank Co., Ltd. (listed on the Shanghai Stock Exchange under the stock code SH600036 and on the Hong Kong Stock Exchange under the stock code HK3968). 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, a Hong Kong citizen, has a bachelor’s degree and graduated from Fudan University majoring in journalism.

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 served as a certified accountant at Da Hua Certified Public Accountants LLP from October 2016 to December 2021. He has been a certified accountant of Zhongxinghua Certified Public Accountants LLP since January 2022. Mr. Lu is currently a supervisor of Hangzhou Hikvision Digital Technology Co., Ltd. (listed on the Shenzhen Stock Exchange under the stock code 002415), an independent director of each of Bomike Marine Engineering Company Limited (listed on the Shanghai Stock Exchange under the stock code 603727), Shanghai Xinnanyang Only Education & Technology Co., Ltd. (listed on the Shanghai Stock Exchange under the stock code 600661), Bank of Tianjin Co., Ltd. (listed on the Shanghai Stock Exchange under the stock code HK1578) and Shanghai Weike Precision Moulding Co., Ltd. (to be listed on the Shenzhen Stock Exchange Growth Enterprise Market); an enterprise mentor for the Master of Professional Accounting (MP Acc)/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. She served as the compliance director of China Merchants Securities Co., Ltd. (listed on the Shanghai Stock Exchange under stock code 600999) and concurrently as the chairperson of the board of supervisors of China Merchants Fund Management Co., Ltd. Ms. Zhang successively held a number of positions, including the chief auditor, assistant to the president, and general manager of the audit department of China Merchants Securities Co., Ltd.; and the assistant to the general manager of the securities business division of the head office of China Merchants Bank.

Mr. Shao Ruiqing (邵瑞慶)

Born in 1957, Mr. Shao is currently an independent non-executive Director of the Company. Mr. Shao currently serves as an accounting professor (level-2 professor) in Shanghai Lixin University of Accounting and Finance, and a doctoral tutor in Shanghai Maritime University, and concurrently as an independent director of Shanghai International Port (Group) Co., Ltd. (stock code: SH 600018), an independent director of China Everbright Bank Company Limited (stock codes: SH 601818/HK 6818), an independent director of China Enterprise Co., Ltd. (stock code: SH 600675), and an independent director of Arcplus Group Plc (stock code: SH 600629). He has been a professor in Shanghai Lixin University of Accounting and Finance since June 2016. He served as a professor in Shanghai Lixin University of Accounting from February 2015 to May 2016, a vice president and professor of Shanghai Lixin University of Accounting from February 2004 to January 2015, the dean, a professor and doctoral tutor of School of Economics and Management of Shanghai Maritime University from January 2002 to January 2014, the vice dean and a professor of School of Management of Shanghai Maritime University from October 1999 to December 2001, the head, an assistant professor and a professor of the Finance and Accounting Department of Shanghai Maritime University from May 1994 to September 1999, and a teaching assistant, a lecturer and an assistant professor of the Management Department and the Economics Department of Shanghai Maritime University from August 1982 to April 1994. Mr. Shao Ruiqing has been engaged in professional teaching and scientific research on accounting since 1982. He graduated from the Accounting Department of Shanghai Maritime University as an undergraduate (with a bachelor's degree in economics), the Accounting Department of Shanghai University of Finance and Economics as a master (with a master's degree in management) and the Technological Economics and Management Department of Tongji University as a doctor (with a doctoral degree in management). Mr. Shao has been appointed as a member of the Accounting & Finance Expert Advisory Committee by the Ministry of Transport, and concurrently serves as the vice president of the China Communications Accounting Society, an executive director of the Accounting Society of China, the vice president and chairman of the Academic Committee of Shanghai Accounting Association, and an executive director of the Auditing Society of Shanghai. Mr. Shao serves as a deputy to the 13th Shanghai Municipal People's Congress and is entitled to a special government allowance provided by the State Council.

(ii) 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 or indirectly 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

(i) 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 | 10 | 10 | 8 | 0 | 0 |
| Cai Hongping | 10 | 10 | 8 | 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 meetings attended by telecommunication | Number of meeting(s) attended by proxy | Number of meeting(s) absent |
|------------------|--------------------------------------------|---------------------------------------|--------------------------------------------------|----------------------------------------|-----------------------------|
| Shao Ruiqing | 2 | 2 | 2 | 0 | 0 |
| Cai Hongping | 2 | 2 | 2 | 0 | 0 |

3. *Investment Strategy 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 |
|------------------|--------------------------------------------|---------------------------------------|--------------------------------------------------|----------------------------------------|-----------------------------|
| Cai Hongping | 2 | 2 | 2 | 0 | 0 |
| Shao Ruiqing | 2 | 2 | 2 | 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 meetings attended by telecommunication | Number of meeting(s) attended by proxy | Number of meeting(s) absent |
|------------------|--------------------------------------------|---------------------------------------|--------------------------------------------------|----------------------------------------|-----------------------------|
| Cai Hongping | 3 | 3 | 3 | 0 | 0 |
| Zhang Weihua | 3 | 3 | 3 | 0 | 0 |
| Shao Ruiqing | 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 meetings attended by telecommunication | Number of meeting(s) attended by proxy | Number of meeting(s) absent |
|------------------|--------------------------------------------|---------------------------------------|--------------------------------------------------|----------------------------------------|-----------------------------|
| Zhang Weihua | 3 | 3 | 1 | 0 | 0 |
| Lu Jianzhong | 3 | 3 | 1 | 0 | 0 |
| Cai Hongping | 3 | 3 | 1 | 0 | 0 |

6. The Board of Directors

| 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 | Whether or not absent from two consecutive meetings |
|------------------|--------------------------------------------|---------------------------------------|--------------------------------------------------|----------------------------------------|-----------------------------|-----------------------------------------------------|
| Cai Hongping | 24 | 24 | 20 | 0 | 0 | No |
| Lu Jianzhong | 24 | 24 | 20 | 0 | 0 | No |
| Zhang Weihua | 24 | 24 | 20 | 0 | 0 | No |
| Shao Ruiqing | 24 | 24 | 20 | 0 | 0 | No |

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

We kept abreast of the Company's operations by listening to reports, conducting on-site research and reviewing information, and actively attended the Company's Board meetings, general meetings and other relevant meetings held in 2022. In order to fully discharge our duties as independent Directors, we carefully reviewed the information of proposals on board meetings and maintained timely communication with the management of the Company, participated in major operational decisions and expressed our views independently and objectively on major issues. In our opinion, the procedures for convening and holding meetings of the Board of Directors and general meetings of the Company during the reporting period followed the relevant laws and regulations, and the necessary approval procedures were complied with in respect of major operational decisions and other significant matters. We made independent and prudent judgments on all the proposals and voted for them. There were no objections to the proposals of the Board of Directors and other matters of the Company.

(iii) Company's cooperation with the work of the independent Directors

The Company has provided the necessary conditions and support for the discharge of its duties as an independent Director and has actively and effectively cooperated with us in our work. The Company reports the daily operation and production to us on a regular basis, and the management reported and communicated to us in advance on major decisions involving the Company's major capital operations and important connected transactions. In addition to regular on-site communication, the Company also continued to diversify its means of communication and communicated online; the management arranged to prepare monthly reports on the Company's operation and submitted regular performance reports in the form of

PPT and summary notes for our review, so that we can understand the Company's operation and management status dynamically; the Company also provided sufficient protection and facilitated the work of independent Directors in their visits and on-site inspections.

(iv) On-site inspections

From 28 September 2022 to 29 September 2022, Mr. Lu Jianzhong and Mr. Shao Ruiqing, independent Directors of the Company, conducted on-site inspection in Dong Fang International Container (Ningbo) Co., Ltd., a subsidiary of the Company, listened to the report of the management of the container manufacturing plant and paid a field visit to the first-line workshop to practically strengthen independent Directors' understanding and judgment of the actual operation, business structure, risk control, internal audit, internal control and management and other aspects of the Company. On this basis, they made suggestions for the Company to make risk prediction and control the risk degree in the current situation, put forward working ideas for further optimizing and strengthening the Company's risk management and internal construction, and also fully discharged the responsibilities and obligations of independent Directors to perform their duties adequately, diligently and prudently.

III. KEY CONCERNS OF INDEPENDENT DIRECTORS FOR THE YEAR

(i) Related Transactions

During the reporting period, we 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.

(ii) 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 provide 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.

(iii) Use of proceeds

In March and August 2022, the Board considered and approved the “Special Report on the Deposit and Use of Proceeds in 2021” and the “Proposal Regarding the Special Report on the Deposit and Use of Proceeds in the First Half of 2022 of the Company” respectively. All the independent Directors are of the opinion that the Company has disclosed the deposit and actual use of the proceeds in a timely, true, accurate and complete manner and there is no non-compliance in the use of the proceeds and it has faithfully fulfilled its disclosure obligations regarding the investment and progress of the proceeds.

(iv) Nomination and Remuneration of Senior Executives

During the reporting period, the Company appointed one new general manager and one new deputy general manager. On 16 June 2022, Mr. Zhang Mingwen, who was nominated by the Nomination Committee of the Company and approved by the Board of Directors of the Company, was appointed as the general manager of the Company; on 2 August 2022, Mr. Yu Zhen, who was nominated by the Nomination Committee of the Company and approved by the Board of Directors of the Company, was appointed as the deputy general manager of the Company. The aforesaid appointment of senior executives has been approved by the independent Directors of the Company in advance before submission to the Board. After reviewing the biographies of Mr. Zhang Mingwen and Mr. Yu Zhen, the independent Directors of the Company consider that they were never found to be prohibited from acting as directors or senior executives of the Company as stipulated in Article 146 of the Company Law, nor being prohibited from entry into the securities market by China Securities Regulatory Commission, or experiencing a prohibition not yet expired and their appointments were in compliance with the relevant provisions of the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardised Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》), thus Mr. Zhang Mingwen and Mr. Yu Zhen were agreed to be the general manager and the deputy general manager of the Company, respectively.

During the reporting period, in order to further enhance the motivation of the management of the Company, promote the high quality development of the entity, realize the diversified synergy layout between production and financing and effectively promote the implementation of the Company’s strategy, the 11th meeting of the sixth session of the Remuneration Committee of the Board of the Company and the 69th meeting of the Board of Directors successively considered and approved the Proposal Regarding the Determination of Annual Remuneration of the Professional Managers of COSCO Shipping Development Co., Ltd. for 2021 according to the Compensation Management Plan for the Management of COSCO Shipping Development Co., Ltd. For details on the allocation of remuneration of senior executives, please refer to the Annual Report for 2022 of the Company, which was reviewed and approved by the Board.

(v) Results Forecast and Preliminary Financial Data

During the reporting period, the Company released the Announcement regarding Positive Profit Alert for the Year 2021 on 28 January 2022, but did not release preliminary financial data.

(vi) Appointment of Certified Public Accountants

During the reporting period, the Resolution on Appointment of the Company's 2022 Domestic and Overseas Auditors and Internal Control Auditor was successively considered and approved at the 25th meeting of the sixth session of the Audit Committee of the Board, the 55th meeting of the sixth session of the Board of Directors and the 2021 Annual General Meeting of the Company, pursuant to which the Company was approved to reappoint ShineWing Certified Public Accountants LLP ("ShineWing") as the Company's domestic auditor for 2022, and appoint ShineWing as the Company's overseas auditor for 2022.

The above-mentioned re-appointment and appointment of the certified public accountants were reviewed by the Audit Committee of the Board of the Company. The Audit Committee believed that ShineWing performed well in terms of independence and objectivity, professional skills, quality and efficiency of audit for financial information disclosure and the communication with the Company with professional competence and investor protection capability, and agreed to reappoint ShineWing as the Company's domestic auditor for 2022 and appoint the same as the Company's overseas auditor for 2022.

The above-mentioned re-appointment and appointment of the certified public accountants have been approved by the independent Directors in advance before being submitted to the Board for consideration. The independent Directors believed that: ShineWing's securities business qualifications and other aspects are in compliance with the requirements of the CSRC, Shanghai Stock Exchange and Hong Kong Listing Rules. ShineWing strictly abided by professional ethics and followed the independent, objective and impartial practice standards in providing the Company with 2021 A-share financial report and internal control audit services, completed various audits for 2021 and possessed the professional capability to provide financial reporting and internal control audit services for the Company. The Company's procedures for re-appointing/appointing the certified public accountant are in compliance with the requirements of the laws, regulations and the Articles of Association, and there is no circumstance that would harm the interests of the Company and Shareholders. The independent Directors agreed to re-appoint/appoint ShineWing as the Company's domestic and overseas auditor for 2022.

(vii) Profit Distribution

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 and the 2021 Annual General Meeting considered and approved a profit distribution plan for the Company for 2021: a cash dividend of RMB2.26 (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 2021 less the balance of repurchased shares in the repurchased account then.

The independent Directors reviewed and issued independent opinions on the above-mentioned profit distribution plan for the Company for 2021. The independent Directors are of the opinion that the profit distribution plan for 2021 of the Company is in compliance with the relevant provisions of the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividends of Listed Companies and the Articles of Association, and is in line with the actual situation of the Company and is conducive to the sustainable and healthy development of the Company, there is no prejudice to the interests of the shareholders of the Company. The Company agrees to submit the profit distribution plan for 2021 of the Company to the Board and the general meeting for consideration.

(viii) Fulfillment of undertakings by the Company and Shareholders

During the reporting period, the Company, its direct controlling shareholders and indirect controlling shareholders, shareholders holding more than 5% of the shares, directors, supervisors, senior management and other subjects fulfilled the undertakings made in a good manner, and there was no violation of the undertakings related to avoiding horizontal competition, reducing connected transactions, maintaining independence, share lock-up and special business arrangements.

(ix) Implementation of information disclosure

During the reporting period, the Company performed its information disclosure obligations in accordance with relevant laws and regulations, and the content of the announcements was true, accurate, complete, and contained no false information, misleading statements or material omissions, ensuring that the information was disclosed in a timely and fair manner, and effectively protecting the legitimate rights and interests of Shareholders of the Company, and not being criticized or penalized by the regulatory authorities. In 2022, the Company has been rated A in information disclosure by the Shanghai Stock Exchange for eight consecutive years.

(x) Implementation of internal control

During the reporting period, the Company actively promoted the construction of a standardized system of enterprise internal control and established a relatively complete internal control system in strict accordance with the relevant requirements of laws and regulations such as the Internal Control Guidelines of Shanghai Stock Exchange for Listed Companies and Basic Standards for Internal Control of Business Enterprises to ensure the standardized operation of the general meeting, the Board, Supervisory Committee and other bodies of the Company and the effectiveness of the internal control system, and was able to reasonably ensure the truthfulness, legality and completeness of the Company's financial and accounting information; and was able to disclose information in a true, accurate, complete and timely manner to safeguard the interests of investors and the Company.

For the implementation of internal control, please refer to the "Internal Control Evaluation Report for 2022" considered and passed by the Board, and the "Internal Control Audit Report for 2022" of the Company issued by ShineWing Certified Public Accountants.

(xi) 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 2022.

(xii) 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, Rules for Independent Directors of Listed Companies, the Articles of Association and the Rules for Independent Non-Executive Directors, safeguarding the legitimate rights and interests of the Company and its shareholders (especially minority shareholders) as a whole.

In 2023, 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, Lu Jianzhong, Zhang Weihua and Shao Ruiqing

30 March 2023

The following is an explanatory statement required by Rule 10.06(1)(b) of the Hong Kong Listing Rules to provide the Shareholders with information reasonably necessary for them to make an informed decision on whether to vote for or against the special resolution to approve the grant of the H Share Repurchase Mandate.

1. NUMBER OF SHARES PROPOSED TO BE REPURCHASED

As at the Latest Practicable Date, the total number of issued Shares was 13,573,299,906, comprising 9,897,299,906 A Shares and 3,676,000,000 H Shares.

Subject to the passing of the special resolution in respect of the granting of the H Share Repurchase Mandate and on the basis that the total number of issued H Shares as at the Latest Practicable Date (i.e. 3,676,000,000 H Shares) will remain unchanged as at the date of the AGM and the Class Meetings, the Directors will be authorised to repurchase up to 367,600,000 H Shares pursuant to the H Share Repurchase Mandate during the period when the H Share Repurchase Mandate remains in force, representing 10% of the total number of issued H Shares.

2. REASONS FOR SHARE REPURCHASE

In order to implement the relevant requirements of the State Council and the State-owned Assets Supervision and Administration Commission of the State Council on further improving the quality of listed companies, maintain the value of the Company and the interests of the Shareholders, and give the Company the flexibility to repurchase Shares if and when appropriate, it is proposed that the H Share Repurchase Mandate be granted to the Board.

Repurchase of H Shares will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

3. SOURCE OF FUNDS

In repurchasing H Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Hong Kong Listing Rules and the applicable laws and regulations of the PRC, as the case may be.

The Directors propose that repurchase of H Shares will be financed by the Company's self-raised funds as and when appropriate.

4. IMPACT ON WORKING CAPITAL

As compared with the financial position of the Company as at 31 December 2022 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the H Share Repurchase Mandate would be exercised in full at any time during the proposed repurchase period.

5. MARKET PRICES OF SHARES

The highest and lowest prices at which the H Shares were traded on the Hong Kong Stock Exchange during each of the twelve months before the Latest Practicable Date (up to the Latest Practicable Date) were as follows:

| | Lowest <i>HK\$</i> | Highest <i>HK\$</i> |
|------------------------------------------|------------------------------|-------------------------------|
| 2022 | | |
| July | 1.270 | 1.620 |
| August | 1.160 | 1.310 |
| September | 0.960 | 1.200 |
| October | 0.900 | 1.100 |
| November | 0.890 | 1.060 |
| December | 1.010 | 1.130 |
| 2023 | | |
| January | 1.020 | 1.110 |
| February | 1.020 | 1.110 |
| March | 1.020 | 1.120 |
| April | 1.010 | 1.070 |
| May | 0.960 | 1.110 |
| June (up to the Latest Practicable Date) | 0.960 | 0.980 |

6. GENERAL

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their respective close associates (as defined in the Hong Kong Listing Rules) has any present intention, in the event that the proposed grant of the H Share Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

The Company has not been notified by any core connected persons (as defined in the Hong Kong Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the proposed grant of the H Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Hong Kong Stock Exchange to exercise the power of the Company to repurchase H Shares pursuant to the H Share Repurchase Mandate and in accordance with the Hong Kong Listing Rules and the applicable laws and regulations of the PRC.

7. TAKEOVERS CODE

If on the exercise of the power to repurchase H Shares pursuant to the H Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control on the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, COSCO SHIPPING and parties acting in concert with it controlled or were entitled to exercise control over the voting rights in respect of 6,123,503,998 A Shares and 100,944,000 H Shares, representing approximately 45.86% of the total issued share capital of the Company and approximately 46.01% of the total voting rights of the A Share and H Share capital of the Company (excluding the Shares in the non-voting A Share repurchase account). COSCO SHIPPING is the indirect controlling shareholder of the Company.

In the event that the Directors will exercise the H Share Repurchase Mandate in full, the proportionate interest of COSCO SHIPPING and parties acting in concert with it in the voting rights of the Company will increase to approximately 47.13% of the total voting rights of the A Share and H Share capital of the Company (excluding the Shares in the non-voting A Share repurchase account) if they do not participate in such repurchase. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the H Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a takeover or to such an extent as would, in the case of any applicable law, have a similar effect. In addition, the Directors will not make such repurchase on the Hong Kong Stock Exchange if such repurchase would result in a breach of Rule 8.08 of the Hong Kong Listing Rules.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Hong Kong Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

NOTICE OF AGM

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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 2022 (the “**AGM**”) of COSCO SHIPPING Development Co., Ltd. (the “**Company**”) will be held at 1:30 p.m. on Wednesday, 28 June 2023 (or at any adjournment thereof) at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou 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 6 June 2023 (the “**Circular**”).

ORDINARY RESOLUTIONS

1. To consider and approve the report of the Board for the year ended 31 December 2022.
2. To consider and approve the report of the Supervisory Committee for the year ended 31 December 2022.
3. To consider and approve the audited financial statements and the auditors’ report of the Group for the year ended 31 December 2022.
4. To consider and approve the annual report of the Company for the year ended 31 December 2022.
5. To consider and approve the proposed profit distribution plan of the Company and the proposed payment of a final dividend of RMB0.087 per share of the Company (inclusive of applicable tax) for the year ended 31 December 2022.

NOTICE OF AGM

6. To consider and determine the remuneration of the Directors and the Supervisors for the year of 2023.
- 7.(a) To re-appoint ShineWing Certified Public Accountants LLP as the Company's domestic auditor for the year of 2023, with remuneration of RMB5.28 million (inclusive of applicable tax).
- 7.(b) To re-appoint ShineWing Certified Public Accountants LLP as the Company's internal control auditor for the year of 2023, with remuneration of RMB0.92 million (inclusive of applicable tax).
- 7.(c) To appoint SHINEWING (HK) CPA Limited as the international auditor of the Company for the year of 2023, with remuneration of RMB4.96 million (inclusive of applicable tax).

SPECIAL RESOLUTIONS

8. To consider and approve the Provision of Guarantees, details of which are set out in the Circular;
9. To consider and approve the grant of the H Share Repurchase Mandate:

“THAT

The Board is authorised to repurchase H Shares with the Company's self-raised funds during the Relevant Period with an aggregate number of H Shares not exceeding 10% of the aggregate number of H Shares in issue as at the date of consideration and approval of the resolution in relation to the grant of the H Share Repurchase Mandate at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

The Board is authorised to deal with matters relating to the repurchase of H Shares, including but not limited to:

- (i) to formulate and implement specific repurchase plans in accordance with the Company Law and other laws and regulations, the listing rules of the place where the Shares are listed and the Articles of Association, including but not limited to determining the timing of repurchase, repurchase period, repurchase price, repurchase quantity, etc.;
- (ii) to notify creditors and make announcements and handle matters related to the exercise of creditors' rights (if applicable);
- (iii) to open stock accounts and capital accounts and handle the corresponding foreign exchange change registration procedures;
- (iv) upon completion of the H Share repurchase, to cancel the repurchased H Shares and to reduce the Company's registered capital accordingly;

NOTICE OF AGM

- (v) to amend the Articles of Association in relation to the total share capital and share capital structure, and to complete the relevant registration and filing procedures (if applicable); and
- (vi) to adjust the repurchase plan and continue to handle matters in relation to the repurchase of H Shares in accordance with the relevant PRC regulations, requirements of government departments and securities regulatory authorities, market conditions and the actual operation of the Company in the event that there are new requirements of laws and regulations and securities regulatory authorities on repurchase policies, as well as changes in market conditions, except for matters that are subject to re-voting at the general meeting as required by the relevant laws and regulations and the Articles of Association. The Board may authorise any Director to deal with the above matters. Any one of the Directors is authorised by the Board to implement matters related to the repurchase of H Shares.

For the purpose of the H Share Repurchase Mandate, the “Relevant Period” means the period from the date of passing of the special resolution in relation to the grant of the H Share Repurchase Mandate at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of the resolution; or
- (ii) the date on which the H Share Repurchase Mandate is revoked or varied by a special resolution at any general meeting, A Shareholders’ class meeting and H Shareholders’ class meeting of the Company.”

If, during the Relevant Period, the Board or the authorised person of the Board has signed the necessary documents, completed the necessary formalities, and such documents, formalities may need to be performed, carried out at or after the end of the Relevant Period, or continued after the end of the Relevant Period, the Relevant Period will be extended accordingly.

REVIEW OF REPORT

1. To review the work report of the independent non-executive Directors for the year ended 31 December 2022.

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

Shanghai, the People’s Republic of China
6 June 2023

NOTICE OF AGM

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.

- (i) To attend and vote at the AGM

For the purpose of holding the AGM, the Register of Members will be closed from 21 June 2023 to 28 June 2023 (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 20 June 2023 are entitled to attend and vote at the AGM.

In order 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 20 June 2023.

- (ii) To qualify for the proposed final dividend for the year ended 31 December 2022

For the purpose of determining the H Shareholders' entitlement to the proposed final dividend for the year ended 31 December 2022, the Register of Members will be closed from 8 July 2023 to 13 July 2023 (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 13 July 2023 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 7 July 2023.

2. The report below will be proposed for review at the AGM, which is not subject to voting by Shareholders:

- (i) The work report of the independent non-executive Directors for the year ended 31 December 2022.

3. 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.

4. 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.

5. 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.

6. 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.

NOTICE OF AGM

7. 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 after the AGM.
8. 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.
9. 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. 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 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.”.*

NOTICE OF H SHAREHOLDERS' CLASS MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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 H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the class meeting for holders of H shares (the “**H Shareholders’ Class Meeting**”) of COSCO SHIPPING Development Co., Ltd. (the “**Company**”) will be held on Wednesday, 28 June 2023 immediately after the class meeting for holders of A shares of the Company to be convened and held on the same day and at the same place, which will be held immediately after the AGM of the Company to be convened at 1:30 p.m. at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC on the same day and at the same place for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution of the Company.

Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 6 June 2023 (the “**Circular**”).

SPECIAL RESOLUTION

1. To consider and approve the grant of the H Share Repurchase Mandate:

“THAT

The Board is authorised to repurchase H Shares with the Company’s self-raised funds during the Relevant Period with an aggregate number of H Shares not exceeding 10% of the aggregate number of H Shares in issue as at the date of consideration and approval of the resolution in relation to the grant of the H Share Repurchase Mandate at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting.

NOTICE OF H SHAREHOLDERS' CLASS MEETING

The Board is authorised to deal with matters relating to the repurchase of H Shares, including but not limited to:

- (i) to formulate and implement specific repurchase plans in accordance with the Company Law and other laws and regulations, the listing rules of the place where the Shares are listed and the Articles of Association, including but not limited to determining the timing of repurchase, repurchase period, repurchase price, repurchase quantity, etc.;
- (ii) to notify creditors and make announcements and handle matters related to the exercise of creditors' rights (if applicable);
- (iii) to open stock accounts and capital accounts and handle the corresponding foreign exchange change registration procedures;
- (iv) upon completion of the H Share repurchase, to cancel the repurchased H Shares and to reduce the Company's registered capital accordingly;
- (v) to amend the Articles of Association in relation to the total share capital and share capital structure, and to complete the relevant registration and filing procedures (if applicable); and
- (vi) to adjust the repurchase plan and continue to handle matters in relation to the repurchase of H Shares in accordance with the relevant PRC regulations, requirements of government departments and securities regulatory authorities, market conditions and the actual operation of the Company in the event that there are new requirements of laws and regulations and securities regulatory authorities on repurchase policies, as well as changes in market conditions, except for matters that are subject to re-voting at the general meeting as required by the relevant laws and regulations and the Articles of Association. The Board may authorise any Director to deal with the above matters. Any one of the Directors is authorised by the Board to implement matters related to the repurchase of H Shares.

For the purpose of the H Share Repurchase Mandate, the "Relevant Period" means the period from the date of passing of the special resolution in relation to the grant of the H Share Repurchase Mandate at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of the resolution; or

NOTICE OF H SHAREHOLDERS' CLASS MEETING

- (ii) the date on which the H Share Repurchase Mandate is revoked or varied by a special resolution at any general meeting, A Shareholders' class meeting and H Shareholders' class meeting of the Company.”

If, during the Relevant Period, the Board or the authorised person of the Board has signed the necessary documents, completed the necessary formalities, and such documents, formalities may need to be performed, carried out or continued after the end of the Relevant Period, the Relevant Period will be extended accordingly.

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

Shanghai, the People's Republic of China

6 June 2023

NOTICE OF H SHAREHOLDERS' CLASS MEETING

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.

- (i) To attend and vote at the H Shareholders' Class Meeting

For the purpose of holding the H Shareholders' Class Meeting, the Register of Members will be closed from 21 June 2023 to 28 June 2023 (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 20 June 2023 are entitled to attend and vote at the H Shareholders' Class Meeting.

In order to attend and vote at the H Shareholders' Class Meeting, 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 20 June 2023.

- (ii) To qualify for the proposed final dividend for the year ended 31 December 2022

For the purpose of determining the H Shareholders' entitlement to the proposed final dividend for the year ended 31 December 2022, the Register of Members will be closed from 8 July 2023 to 13 July 2023 (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 13 July 2023 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 7 July 2023.

2. Each H Shareholder who has the right to attend and vote at the H Shareholders' Class Meeting 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 H Shareholders' Class Meeting.
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. 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 H Shareholders' Class Meeting or any adjournment thereof in order for such documents to be valid.
5. If a proxy attends the H Shareholders' Class Meeting 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 H Shareholders' Class Meeting, 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 H Shareholders' Class Meeting. Completion and return of the Form of Proxy will not preclude a Shareholder from attending in person and voting at the H Shareholders' Class Meeting or any adjournment thereof should he/she so wish.

NOTICE OF H SHAREHOLDERS' CLASS MEETING

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 H Shareholders' Class Meeting 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 after the H Shareholders' Class Meeting.
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 H Shareholders' Class Meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto.
8. The H Shareholders' Class Meeting is estimated to last for half a day. Shareholders who attend the H Shareholders' Class Meeting in person or by proxy shall bear their own transportation and accommodation expenses.

The Board as at the date of this notice 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 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."*