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中遠海運發展股份有限公司

COSCO SHIPPING Development Co., Ltd.*

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

(Stock Code: 02866)

PASSING AWAY OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board of directors (the “**Board**”) of COSCO SHIPPING Development Co., Ltd. (the “**Company**”) regrets to announce that Mr. Tsang Hing Lun (“**Mr. Tsang**”), an independent non-executive director of the Company (the “**Independent Non-executive Director**”), the chairman of the audit committee of the Company (the “**Audit Committee**”), a member of the nomination committee of the Company and a member of the risk control committee of the Company, passed away on 4 June 2017.

Mr. Tsang had served as an Independent Non-executive Director since June 2016. During his tenure of service, Mr. Tsang diligently and dedicatedly fulfilled the duties and obligations as an Independent Non-executive Director and made important contributions in areas including, ensuring compliant decision-making of the Board and safeguarding the interests of the Company and its shareholders as a whole. On behalf of the Company, the Board would like to express its deepest sorrow for the departure of Mr. Tsang and convey its condolences to his family. The Board would also like to express its most sincere appreciation to Mr. Tsang for his endeavor and valuable contribution to the Company during his tenure of service.

According to Rule 3.10A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Company must appoint Independent Non-executive Directors representing at least one-third of the Board. In addition, Rule 3.21 of the Listing Rules requires, among other things, that the Audit Committee must comprise a minimum of three members, the majority of which must be Independent Non-executive Directors, and the Audit Committee must be chaired by an Independent Non-executive Director.

Following the departure of Mr. Tsang, the Board comprises 10 members with three Independent Non-executive Directors, and the Audit Committee comprises two members with only one Independent Non-executive Director. Further, the position of the chairman of the Audit Committee is vacant.

The Company will endeavor to identify a suitable candidate to be appointed as an Independent Non-executive Director and fill the relevant vacancies so as to comply with the relevant requirements of the Listing Rules as soon as practicable. Further announcement(s) will be made by the Company in due course.

By order of the Board
COSCO SHIPPING Development Co., Ltd.
Yu Zhen
Company Secretary

Shanghai, the People's Republic of China
7 June 2017

As at the date of this announcement, the Board comprises Ms. Sun Yueying, Mr. Wang Daxiong, Mr. Liu Chong and Mr. Xu Hui, being executive directors, Mr. Feng Boming, Mr. Huang Jian and Mr. Chen Dong, being non-executive directors, and Mr. Cai Hongping, Ms. Hai Chi Yuet and Mr. Graeme Jack, being independent non-executive directors.

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