
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, the form of proxy and reply slip 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) CONDUCT OF THE ENTRUSTED FINANCIAL MANAGEMENT
(2) PURCHASE OF THE CHINA BOHAI BANK ENTRUSTED
FINANCIAL MANAGEMENT PRODUCTS
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
(4) PROVISION OF GUARANTEE
AND
(5) SUPPLEMENTAL NOTICE OF EGM

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 4 to 8 of this circular.

The Original Notice of EGM convening the EGM to be held at 1:30 p.m. on Friday, 29 September, 2017 at Level 3, Ocean Hotel Shanghai, 1171 Dong Da Ming Road, Hong Kou District, Shanghai, the People's Republic of China was despatched to the Shareholders on 15 August 2017, which is reproduced on pages EGM-1 to EGM-3 of this circular. The Supplemental Notice of EGM, which contains additional resolutions to be proposed at the EGM, is set out on pages SEGM-1 to SEGM-3 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."*

14 September 2017

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I – PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION.....	I-1
NOTICE OF EGM.....	EGM-1
SUPPLEMENTAL NOTICE OF EGM	SEGM-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
“Articles of Association”	the articles of association of the Company, as amended and adopted from time to time
“Board”	the board of directors of the Company
“China Bohai Bank”	China Bohai Bank Co., Ltd. [#] (渤海銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability
“Company”	COSCO SHIPPING Development Co., Ltd.* (中海遠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 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 Company’s H Share registrar
“Director(s)”	the director(s) of the Company
“EGM”	the forthcoming extraordinary general meeting of the Company to be convened at 1:30 p.m. on Friday, 29 September 2017 at Level 3, Ocean Hotel Shanghai, 1171 Dong Da Ming Road, Hong Kou District, Shanghai, the People’s Republic of China (or any adjournment thereof) to consider and, if thought fit, approve the resolutions contained in the Original Notice of EGM and the Supplemental Notice of EGM
“Entrusted Financial Management”	the proposed entrusted financial management of the Group, as further detailed in the overseas regulatory announcement of the Company dated 15 August 2017
“Group”	the Company and its subsidiaries

DEFINITIONS

“H Share(s)”	the overseas listed foreign shares in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on Main Board of the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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 an indirect wholly-owned subsidiary of the Company
“Oriental Fleet LNG 01”	Oriental Fleet LNG 01 Limited (東方富利LNG01有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company
“Original Form of Proxy”	the form of proxy of the Company in respect of the resolutions set out in the Original Notice of EGM, which was despatched to the Shareholders on 15 August 2017
“Original Notice of EGM”	the notice of the extraordinary general meeting of the Company dated 15 August 2017, which was despatched to the Shareholders on 15 August 2017
“PRC”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Amendments to the Articles of Association”	the proposed amendments to the Articles of Association, the full text of which is set out in Appendix I to this circular
“Provision of Guarantee”	the proposed provision of guarantee for Oriental Fleet LNG 01, as further detailed in the overseas regulatory announcement of the Company dated 11 September 2017

DEFINITIONS

“Purchase of the China Bohai Bank Entrusted Financial Management Products”	the proposed purchase of the entrusted financial management products of China Bohai Bank by the Group, as further detailed in the overseas regulatory announcement of the Company dated 15 August 2017
“Revised Form of Proxy”	the revised form of proxy of the Company in respect of the resolutions set out in the Original Notice of EGM and the Supplemental Notice of EGM
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Supplemental Notice of EGM”	the supplemental notice of the extraordinary general meeting of the Company dated 14 September 2017, which is set out on pages SEGM-1 to SEGM-3 of this circular
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	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 purpose 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:

Ms. Sun Yueying
Mr. Wang Daxiong
Mr. Liu Chong
Mr. Xu Hui

Legal address in the PRC:

Room A – 538
International Trade Center
China (Shanghai) Pilot Free Trade Zone
Shanghai
PRC

Non-executive Directors:

Mr. Feng Boming
Mr. Huang Jian
Mr. Chen Dong

*Principal place of business
in the PRC:*

Maritime Research Building
628 Minsheng Road
Pudong New Area
Shanghai
The PRC

Independent non-executive Directors:

Mr. Cai Hongping
Ms. Hai Chi Yuet
Mr. Graeme Jack

*Principal place of business
in Hong Kong:*

33/F, Tower 2
Kowloon Commerce Centre
51 Kwai Cheong Road, Kwai Chung
New Territories, Hong Kong

14 September 2017

To the Shareholders

Dear Sir/Madam,

- (1) CONDUCT OF THE ENTRUSTED FINANCIAL MANAGEMENT**
(2) PURCHASE OF THE CHINA BOHAI BANK ENTRUSTED
FINANCIAL MANAGEMENT PRODUCTS
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
(4) PROVISION OF GUARANTEE
AND
(5) SUPPLEMENTAL NOTICE OF EGM

I. INTRODUCTION

Reference is made to (i) the overseas regulatory announcements of the Company dated 15 August 2017 and 11 September 2017; (ii) the announcement for the Company dated 30 August 2017; (iii) the Original Notice of EGM; and (iv) the Supplemental Notice of EGM.

LETTER FROM THE BOARD

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

- (i) information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the EGM; and
- (ii) further details of the Proposed Amendments to the Articles of Association and information regarding the other resolutions to be proposed at the EGM.

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

- (i) the authorization to the Group to conduct the Entrusted Financial Management; and
- (ii) the authorization to the Group for the Purchase of the China Bohai Bank Entrusted Financial Management Products.

At the EGM, special resolutions will be proposed to approve:

- (i) the Proposed Amendments to the Articles of Association; and
- (ii) the Provision of Guarantee.

II. CONDUCT OF THE ENTRUSTED FINANCIAL MANAGEMENT

As disclosed in the overseas regulatory announcement of the Company dated 15 August 2017, in order to enhance the efficiency of the use of idle funds and the return of the Group, the Board resolved that the Group shall be authorized to conduct the Entrusted Financial Management within the cap of RMB3 billion for the investment in fixed income or low risk short-term financial management products of financial institutions, including national commercial banks, public fund management companies, trust companies, asset management companies and securities companies. The term of the aforesaid authorization shall be one year from the date of the passing of the relevant resolution at the EGM.

Pursuant to the relevant requirements under the PRC laws and regulations, the Entrusted Financial Management shall be subject to the approval of the Shareholders.

The resolution in relation to the Entrusted Financial Management will be submitted, by way of ordinary resolution, for the Shareholder's consideration and approval at the EGM.

III. PURCHASE OF THE CHINA BOHAI BANK ENTRUSTED FINANCIAL MANAGEMENT PRODUCTS

As disclosed in the overseas regulatory announcement of the Company dated 15 August 2017, the Board resolved that the Group shall be authorized to purchase the entrusted financial management products of China Bohai Bank with a cap of RMB500 million out of the cap of RMB3 billion of the Entrusted Financial Management, for a term of one year from the date of the passing of the relevant resolution at the EGM.

LETTER FROM THE BOARD

China Bohai Bank is a connected person of the Company under the relevant PRC laws and regulations. Accordingly, the Purchase of the China Bohai Bank Entrusted Financial Management Products constitutes a connected transaction of the Company and is subject to the Shareholders' approval requirement under the relevant PRC laws and regulations.

The resolution in relation to the Purchase of the China Bohai Bank Entrusted Financial Management Products will be submitted, by way of ordinary resolution, for the Shareholder's consideration and approval at the EGM.

IV. THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

As disclosed in the announcement of the Company dated 30 August 2017, the Board proposed to make certain amendments to the Articles of Association in order to, among other things, further improve the corporate governance of the Company.

The Proposed Amendments to the Articles of Association relate to, among other things, (i) the "Opinion on the Comprehensive Promotion of the Construction of Legal Corporate Governance for Central State-owned Enterprises" (《關於全面推進法治央企建設的意見》); (ii) the composition of the Board and the supervisory committee of the Company; and (iii) the use of electronic means for the publication of corporate communications by the Company pursuant to Rule 2.07A of the Listing Rules.

The full text of the Proposed Amendments to the Articles of Association, which were prepared in the Chinese language, 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 Proposed Amendments to the Articles of Association, the Chinese version shall prevail.

The resolution in relation to the Proposed Amendments to the Articles of Association will be submitted, by way of special resolution, for the Shareholders' consideration and approval at the EGM.

V. THE PROVISION OF GUARANTEE

As disclosed in the overseas regulatory announcement of the Company dated 11 September 2017, the Board resolved that Oriental Fleet shall provide a guarantee for Oriental Fleet LNG 01 with respect to the obligations of Oriental Fleet LNG 01 under a proposed loan in the principal amount of not more than US\$112 million and for a term of 10 years between Oriental Fleet LNG 01 and Bank of Communications, Hong Kong Branch. The aforesaid proposed loan will be used to supplement the working capital and support the business development of Oriental Fleet LNG 01.

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

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

LETTER FROM THE BOARD

VI. THE EGM

The EGM of the Company will be held at 1:30 p.m. on Friday, 29 September 2017 at Level 3, Ocean Hotel Shanghai, 1171 Dong Da Ming Road, Hong Kou District, Shanghai, the People's Republic of China, for the Shareholders to consider and, if thought fit, approve the aforesaid resolutions.

The abovementioned resolutions will be proposed by way of ordinary and special resolutions at the EGM to be approved by the Shareholders. The voting in relation to such resolutions will be conducted by way of poll.

The Original Notice of EGM was despatched to the Shareholders on 15 August 2017, which is reproduced on pages EGM-1 to EGM-3 of this circular. The Supplemental Notice of EGM, which contains the additional resolutions to be proposed at the EGM, is set out on pages SEGM-1 to SEGM-3 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 EGM and therefore no Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM.

A Shareholder who has not yet lodged the Original Form of Proxy in accordance with the instructions printed thereon with Computershare is requested to complete and return the Revised Form of Proxy in accordance with the instructions printed thereon to Computershare not less than 24 hours before the time for holding the EGM or any adjournment thereof, if he or she wishes to appoint proxies to attend the EGM on his or her behalf. In this case, the Original Form of Proxy should not be lodged to Computershare.

A Shareholder who has already lodged the Original Form of Proxy in accordance with the instructions printed thereon with Computershare should note the following:

- (i) If no Revised Form of Proxy is lodged with Computershare, the Original Form of Proxy will be treated as a valid form of proxy lodged by the Shareholder if correctly completed. The proxy appointed under the Original Form of Proxy will be entitled to vote in his or her discretion or abstain from voting on any resolutions properly put to the EGM, other than those referred to in the Original Notice of EGM and the Original Form of Proxy, including the additional resolutions set out in the Supplemental Notice of EGM.
- (ii) If the Revised Form of Proxy is lodged with Computershare in accordance with the instructions printed thereon not less than 24 hours before the time for holding the EGM or any adjournment thereof, the Revised Form of Proxy will revoke and supersede the Original Form of Proxy previously lodged by the Shareholder. The Revised Form of Proxy will be treated as a valid form of proxy lodged by the Shareholder if correctly completed.

LETTER FROM THE BOARD

- (iii) If the Revised Form of Proxy is lodged after 24 hours before the time for holding the EGM or any adjournment thereof, the Revised Form of Proxy will be deemed invalid. It will not revoke the Original Form of Proxy previously lodged by the Shareholder. The Original Form of Proxy will be treated as a valid form of proxy lodged by the Shareholder if correctly completed. The proxy appointed under the Original Form of Proxy will be entitled to vote in his or her discretion or abstain from voting on any resolutions properly put to the EGM, other than those referred to in the Original Notice of EGM and the Original Form of Proxy, including the additional resolutions set out in the Supplemental Notice of EGM.

Completion and return of the Original Form of Proxy and/or Revised Form of Proxy will not preclude a Shareholder from attending and voting in person at the EGM or at any adjourned meeting should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to Directorate Secretary Office of the Company not later 8 September 2017. The reply slip despatched to the Shareholders on 15 August 2017 will be treated as a valid reply slip for the EGM.

VII. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the resolutions to be proposed at the EGM as more particularly described above are in the best interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of these resolutions to be proposed at the EGM.

By order of the Board of
COSCO SHIPPING Development Co., Ltd.
Yu Zhen
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."*

The full text of the Proposed Amendments to the Articles of Association is set out below.

Existing articles

To be amended as

Chapter VIII General meeting

Chapter VIII General meeting

Article 8.15 Notices of general meetings shall be delivered to shareholders (with or without voting right at the general meeting) by hand or by pre-paid mails to the address as recorded in the register of shareholders. For shareholders of domestic capital shares, such notices can also be made in the form of an announcement.

Article 8.15 Notices of general meetings shall be delivered to shareholders (with or without voting right at the general meeting) by hand or by pre-paid mails to the address as recorded in the register of shareholders. For A Share holders, such notices can also be made in the form of an announcement for A Shares. For H Share holders, notices of general meetings can be made in the form of an announcement on the website of the Stock Exchange and the Company's website.

The announcement as mentioned in the preceding paragraph shall be published in one or more newspapers as designated by the securities supervisory authority of the State Council 45-50 days prior to the date of meeting. Once published, all shareholders of Domestic Shares shall be deemed to have received the relevant notice.

The announcement for A Share holders as mentioned in the preceding paragraph shall be published in one or more newspapers as designated by the securities supervisory authority of the State Council 45-50 days prior to the date of meeting. Once published, all A Share holders shall be deemed to have received the relevant notice.

Chapter X Board of directors

Chapter X Board of directors

Article 10.1 The Company shall have a Board of Directors which shall be responsible for reporting its work to the general meeting. The Board of Directors shall consist of nine to nineteen directors, including one chairman and no more than two vice chairmen. Of the directors, at least two members shall be executive directors taking charge of the day-to-day business consigned by the Company; the other members shall be non-executive directors who do not deal with the day-to-day business.

Article 10.1 The Company shall have a Board of Directors which shall be responsible for reporting its work to the general meeting. The Board of Directors shall consist of five to nineteen directors, including one chairman and no more than two vice chairmen. Of the directors, at least two members shall be executive directors taking charge of the day-to-day business consigned by the Company; the other members shall be non-executive directors who do not deal with the day-to-day business.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing articles

At least one third of the total members of the Board of Directors shall be independent directors, and at least one independent director shall have appropriate professional qualification or shall have accounting or related financial management expertise.

At least half (inclusive) of the directors shall be external directors (i.e., directors not holding any position in the Company), and the Board of Directors shall have at least two independent non-executive directors (i.e., directors independent of the shareholders of the Company and not holding any position in the Company).

Article 10.5 The Board of Directors shall be responsible for general meeting and shall exercise the following powers:

- (I) to be responsible for convening general meeting and reporting its work to the general meeting;
- (II) to implement resolutions approved at general meetings;
- (III) to decide on the Company's business operating plans, as well as investment plans and investment proposals other than those to be considered and approved at general meetings;
- (IV) to formulate the Company's proposed annual financial budget and final accounts;
- (V) to formulate the Company's profit distribution plan (including final dividend distribution plan) and plan for recovery of losses;
- (VI) to formulate proposals for the increase in or reduction of the Company's registered capital and the issuance of corporate bonds or other securities and listing;

To be amended as

At least one third of the total members of the Board of Directors shall be independent directors, and at least one independent director shall have appropriate professional qualification or shall have accounting or related financial management expertise.

At least half (inclusive) of the directors shall be external directors (i.e., directors not holding any position in the Company), and the Board of Directors shall have at least two independent non-executive directors (i.e., directors independent of the shareholders of the Company and not holding any position in the Company).

Article 10.5 The Board of Directors shall be responsible for general meeting and shall exercise the following powers:

- (I) to be responsible for convening general meeting and reporting its work to the general meeting;
- (II) to implement resolutions approved at general meetings;
- (III) to decide on the Company's business operating plans, as well as investment plans and investment proposals other than those to be considered and approved at general meetings;
- (IV) to formulate the Company's proposed annual financial budget and final accounts;
- (V) to formulate the Company's profit distribution plan (including final dividend distribution plan) and plan for recovery of losses;
- (VI) to formulate proposals for the increase in or reduction of the Company's registered capital and the issuance of corporate bonds or other securities and listing;

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing articles**To be amended as**

- | | |
|--|--|
| (VII) to formulate plans for repurchase of shares of the Company, and plans for merging, separation and dissolution or transformation of the Company's structure; | (VII) to formulate plans for repurchase of shares of the Company, and plans for merging, separation and dissolution or transformation of the Company's structure; |
| (VIII) to decide on other external guarantees which require the approval of the general meetings pursuant to laws, administrative regulations and the Articles of Association; | (VIII) to decide on other external guarantees which require the approval of the general meetings pursuant to laws, administrative regulations and the Articles of Association; |
| (IX) to decide on the investment, purchase and disposal of assets, asset mortgage, entrusted financial management, connected transactions, etc. within the authority granted by general meetings; | (IX) to decide on the investment, purchase and disposal of assets, asset mortgage, entrusted financial management, connected transactions, etc. within the authority granted by general meetings; |
| (X) to decide on the establishment of the Company's internal management structure; | (X) to decide on the establishment of the Company's internal management structure; |
| (XI) in accordance with the chairman's nomination, to appoint or dismiss the Company's chief executive officer or board secretary, and in accordance with the chief executive officer's nomination, to appoint or dismiss the general manager, deputy general manager, chief accountant or chief financial officer of the Company and to decide on their remuneration; to appoint or replace the members of the Board of Directors and the supervisory committee of the wholly-owned subsidiaries of the Company, to appoint, replace or recommend on the appointment of the shareholder representative, director and supervisors of the subsidiaries and associates of the Company; | (XI) in accordance with the chairman's nomination, to appoint or dismiss the Company's chief executive officer or board secretary, and in accordance with the chief executive officer's nomination, to appoint or dismiss the general manager, deputy general manager, chief accountant or chief financial officer of the Company and to decide on their remuneration; to appoint or replace the members of the Board of Directors and the supervisory committee of the wholly-owned subsidiaries of the Company, to appoint, replace or recommend on the appointment of the shareholder representative, director and supervisors of the subsidiaries and associates of the Company; |
| (XII) to formulate the Company's basic management systems; | (XII) to formulate the Company's basic management systems; |

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing articles**To be amended as**

(XIII) to formulate and implement share incentive scheme (including share option plan permitted by laws and regulations);

(XIII) to formulate and implement share incentive scheme (including share option plan permitted by laws and regulations);

(XIV) to formulate proposals for the amendments of the Company's Articles of Association;

(XIV) to formulate proposals for the amendments of the Company's Articles of Association;

(XV) subject to in compliance with the relevant laws of China, to decide upon the Company's wage standard and welfare and incentive policy;

(XV) subject to in compliance with the relevant laws of China, to decide upon the Company's wage standard and welfare and incentive policy;

(XVI) to resolve on the other important matters and administrative affairs of the Company other than those which shall be resolved at general meetings pursuant to Company Law and the Articles of Association, and to enter into other important agreements;

(XVI) to resolve on the other important matters and administrative affairs of the Company other than those which shall be resolved at general meetings pursuant to Company Law and the Articles of Association, and to enter into other important agreements;

(XVII) to formulate the Company's plans for major acquisition or disposal;

(XVII) to formulate the Company's plans for major acquisition or disposal;

(XVIII) to perform other functions as delegated by the general meeting and the Articles of Association of the Company.

(XVIII) to promote corporate governance and decision making in accordance with law, to supervise the construction planning of legal corporate governance, to develop and implement the general legal adviser system, and to guide the study of resolving major issues on construction of legal corporate governance, so as to provide the conditions and protection for the construction of legal corporate governance in accordance with law;

Except for resolutions of the Board of Directors in respect of matters specified in items (VI), (VII), (VIII), (XI) and (XIV) of this article which shall be passed by more than two-thirds of all the directors, resolutions of the Board of Directors in respect of all other matters may be passed by a majority of directors.

Existing articles

If any director of the Company is associated with the enterprises that are involved in the matters to be resolved at the Board meetings, he or she shall not exercise his or her voting rights for such matters, nor shall such director exercise voting rights on behalf of other directors. Such Board meetings shall be convened by a majority of the directors present thereat who are not connected. The resolution of the Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than 3, such resolutions shall be submitted to the general meeting for approval.

The Board of Directors' resolutions in respect of connected transactions of the Company shall only come into effect upon the signing by independent directors.

To be amended as

(XIX) to perform other functions as delegated by the general meeting and the Articles of Association of the Company.

Except for resolutions of the Board of Directors in respect of matters specified in items (VI), (VII), (VIII), (XI) and (XIV) of this article which shall be passed by more than two-thirds of all the directors, resolutions of the Board of Directors in respect of all other matters may be passed by a majority of directors.

If any director of the Company is associated with the enterprises that are involved in the matters to be resolved at the Board meetings, he or she shall not exercise his or her voting rights for such matters, nor shall such director exercise voting rights on behalf of other directors. Such Board meetings shall be convened by a majority of the directors present thereat who are not connected. The resolution of the Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than 3, such resolutions shall be submitted to the general meeting for approval.

The Board of Directors' resolutions in respect of connected transactions of the Company shall only come into effect upon the signing by independent directors.

Chapter XIV Supervisory committee

Article 14.2 The Supervisory Committee is composed of 6 persons, including one as chairman of the Supervisory Committee. His appointment and dismissal is subject to voting by more than two thirds of the supervisors. They have a term of 3 years, and are eligible for re-election and re-appointment. The chairman shall make arrangement for fulfilling the duties of the Supervisory Committee.

Chapter XIV Supervisory committee

Article 14.2 The Supervisory Committee is composed of not less than 3 persons (inclusive), including one as chairman of the Supervisory Committee. His appointment and dismissal is subject to voting by more than two thirds of the supervisors. They have a term of 3 years, and are eligible for re-election and re-appointment. The chairman shall make arrangement for fulfilling the duties of the Supervisory Committee.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing articles

The duties of the chairman of the Supervisory Committee include:

- (I) convening and presiding over meetings of the Supervisory Committee;
- (II) making arrangement for fulfilling the duties of the Supervisory Committee;
- (III) exercising other functions and powers conferred by the Supervisory Committee.

Article 14.3 The Supervisory Committee is composed of 2 shareholders' representatives, 2 employees' representatives and 2 independent supervisors. Shareholders' representatives and independent supervisors are elected and dismissed by the general meeting, while the employees' representative is elected and dismissed by the employees of the Company in a democratic way. Independent supervisors refer to supervisors independent of the shareholders and not serving any positions in the Company.

In the Supervisory Committee of the Company, external supervisors (not holding any post in the Company, same below) shall account for more than one half of all the supervisors, and there shall be at least 2 independent supervisors. The proportion of employees' representative in the Supervisory Committee should not be lower than one third.

Additional and supplemental supervisors elected by the general meeting or the Company's employees, have their term starting from the date of election and ending on the termination of the term of the Supervisory Committee.

To be amended as

The duties of the chairman of the Supervisory Committee include:

- (I) convening and presiding over meetings of the Supervisory Committee;
- (II) making arrangement for fulfilling the duties of the Supervisory Committee;
- (III) exercising other functions and powers conferred by the Supervisory Committee.

Article 14.3 The Supervisory Committee can be composed of external supervisors (not serving any positions in the Company, including shareholder's representatives, same below) and employees' representatives. External supervisors are elected and dismissed by the general meeting of the Company, while the employees' representatives are elected and dismissed by the employees of the Company in a democratic way.

In the Supervisory Committee of the Company, external supervisors shall account for more than one half of all the supervisors. The proportion of employees' representative in the Supervisory Committee should not be lower than one third.

Additional and supplemental supervisors elected by the general meeting or the Company's employees, have their term starting from the date of election and ending on the termination of the term of the Supervisory Committee.

Existing articles**To be amended as****Chapter XXV Notice****Chapter XXV Notice**

Article 25.1 The notice of the Company may be served as follows:

Article 25.1 The notice of the Company may be served as follows:

(I) by personal delivery;

(I) by personal delivery;

(II) by post;

(II) by post;

(III) by bulletin;

(III) by bulletin;

(IV) by other means specified in the Articles of Association.

(IV) by electronic means or publication on the website of the Company;(V) by other means specified in the Articles of Association.

Article 25.2 Save as otherwise specified in the Articles of Association, notices, documents or written statements sent by the Company to H Share holders of the Company shall be served by personal delivery or prepaid mail to the registered addresses of all the H Share holders.

Article 25.2 Corporate communications refers to any documents issued or to be issued by the Company for the information or action of any holders of its securities, including but not limited to: (1) the directors' report, its annual accounts together with a copy of the auditors' report and, where applicable, its summary financial report; (2) the interim report and, where applicable, its summary interim report; (3) a notice of meeting; (4) a listing document; (5) a circular; and (6) a proxy form.

Save as otherwise specified in the Articles of Association, corporate communications, notices, information or written statements sent by the Company to the shareholders shall be served by hand or prepaid mail to the registered addresses of each of the shareholders, or by electronic means or publication on the Company's website.

Existing articles

Article 25.3 Save as otherwise specified, notices or reports required or allowed by the Articles of Association to be sent by announcement shall be announced on at least one of the national newspapers and periodicals designated by the securities regulatory authority of the State Council and on other newspapers and periodicals in China designated by the Board, and shall be announced in English and Chinese on the same day on at least one of the principal English and Chinese newspapers and periodicals in Hong Kong.

To be amended as

Article 25.3 Save as otherwise specified, notices or reports required or allowed by the Articles of Association or the Related Listing Rules to be sent by announcement shall be announced on at least one of the national newspapers and periodicals designated by the securities regulatory authority of the State Council and on other newspapers and periodicals in China designated by the Board, and shall be announced in English and Chinese on the same day on at least one of the principal English and Chinese newspapers and periodicals in Hong Kong, or by electronic means or by posting on the website of the Company as stipulated by the Articles of Association or by any other means as prescribed in the Related Listing Rules. Save as otherwise specified, the Company shall simultaneously disclose any announcements or reports issued pursuant to the Listing Rules of the Stock Exchange of Hong Kong Limited in Hong Kong to the domestic market.

NOTICE OF EGM

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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of COSCO SHIPPING Development Co., Ltd. (the “Company”) will be held at 1:30 p.m. on Friday, 29 September 2017 (or at any adjournment thereof) at Level 3, Ocean Hotel Shanghai, 1171 Dong Da Ming Road, Hong Kou District, Shanghai, the People's Republic of China (the “PRC”) to consider and, if thought fit, pass the following resolutions.

ORDINARY RESOLUTIONS

1. To consider and approve the resolution in relation to the authorization to the Company and its subsidiaries to conduct entrusted financial management within the cap of RMB3 billion for a term of one year from the date of the passing of this resolution, further details of which are set out in the overseas regulatory announcement of the Company dated 15 August 2017.
2. To consider and approve the resolution in relation to the authorization to the Company and its subsidiaries to purchase the entrusted financial management products of China Bohai Bank Co., Ltd. within the cap of RMB500 million for a term of one year from the date of the passing of this resolution, further details of which are set out in the overseas regulatory announcement of the Company dated 15 August 2017.

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

Shanghai, the People's Republic of China

15 August 2017

NOTICE OF EGM

Notes:

1. For the purpose of holding the EGM, the register of H Shares members of the Company (the “**Register of Members**”) will be closed from 30 August 2017 to 29 September 2017 (both days inclusive), during which period no transfer of H Shares of the Company will be registered. Holders of the Company’s H Shares (the “**H Shareholders**”) whose names appear on the Register of Members at the close of business on 29 August 2017 are entitled to attend and vote at the EGM.

2. In order to attend and vote at the EGM, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare Hong Kong Investor Services Limited (“**Computershare**”), the Company’s H Share registrar, not later than 4:30 p.m. on 29 August 2017.

The address of Computershare is as follows:

Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen’s Road East
Wanchai, Hong Kong

3. H Shareholders who intend to attend the EGM must complete the reply slips and return them to the Directorate Secretary Office of the Company not later than 20 days before the date of the EGM (i.e. not later than 8 September 2017).

The address of the Directorate Secretary Office of the Company is as follows:

22nd Floor, Maritime Research Building
628 Minsheng Road
Pudong New Area
Shanghai 200135
the People’s Republic of China
Tel: (8621) 6596 7333
Fax: (8621) 6596 6813

4. Each H Shareholder who has the right to attend and vote at the EGM 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 EGM.
5. 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.
6. To be valid, 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 EGM or any adjournment thereof in order for such documents to be valid.
7. If a proxy attends the EGM 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 EGM, 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. Completion and return of the form of proxy will not preclude a Shareholder from attending in person and voting at the EGM or any adjournment thereof should he/she so wish.
8. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, 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 EGM will be voted on by poll. Results of the poll voting will be published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk after the EGM.
9. 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 EGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto.

NOTICE OF EGM

10. The EGM is estimated to last for half a day. Shareholders who attend the EGM in person or by proxy shall bear their own transportation and accommodation expenses.

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

SUPPLEMENTAL NOTICE OF EGM

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)

SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING

Reference is made to the notice of the extraordinary general meeting (the “**Original Notice of EGM**”) dated 15 August 2017 which sets out the details of the extraordinary general meeting (the “**EGM**”) of COSCO SHIPPING Development Co., Ltd. (the “**Company**”) to be held at 1:30 p.m. on Friday, 29 September 2017 (or at any adjournment thereof) at Level 3, Ocean Hotel Shanghai, 1171 Dong Da Ming Road, Hong Kou District, Shanghai, the People's Republic of China (the “**PRC**”), and the resolutions to be proposed at the EGM for the Shareholders' approval. Unless otherwise defined, capitalised terms used in this supplemental notice shall have the same meanings as those defined in the circular of the Company dated 14 September 2017 (the “**Circular**”).

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the EGM will be held, as originally scheduled, to consider and, if thought fit, pass the following resolutions as special resolutions of the Company, in addition to the resolutions set out in the Original Notice of EGM:

SPECIAL RESOLUTIONS

3. To consider and approve the resolution in relation to the Proposed Amendments to the Articles of Association, details of which are set out in the Circular:

“THAT

- (a) the Proposed Amendments to the Articles of Association be and are hereby approved and confirmed; and
- (b) any one Director be and is hereby authorized to do all such acts and things (including filing the amended Articles of Association with the relevant authorities for approval, endorsement and/or registration as appropriate) and

SUPPLEMENTAL NOTICE OF EGM

execute and deliver all such documents, deeds or instruments (including affixing the common seal of the Company thereon) and take all such steps as the Director in his or her sole opinion and absolute discretion may consider necessary, appropriate or desirable to implement or give effect to the Proposed Amendments to the Articles of Association.”

4. To consider and approve the resolution in relation to the Provision of Guarantee, details of which are set out in the Circular.

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

Shanghai, the People's Republic of China

14 September 2017

Notes:

1. Save for the inclusion of the additional proposed resolutions as set out in this Supplemental Notice of EGM, there are no other changes to the resolutions set out in the Original Notice of EGM. For details of the other resolutions to be considered at the EGM, closure of the register of H Shares members of the Company (the **“Register of Members”**), eligibility for attending the EGM, registration procedures for attending the EGM, appointment of proxy, method of voting and other relevant matters, please refer to the Original Notice of EGM.
2. Since the form of proxy dated 15 August 2017 (the **“Original Form of Proxy”**) sent together with the Original Notice of EGM does not contain the additional proposed resolutions as set out in this Supplemental Notice of EGM, a revised form of proxy (the **“Revised Form of Proxy”**) has been prepared and is enclosed with this Supplemental Notice of EGM.
3. A Shareholder who has not yet lodged the Original Form of Proxy in accordance with the instructions printed thereon with Computershare, the Company's H Share registrar, is requested to complete and return the enclosed Revised Form of Proxy in accordance with the instructions printed thereon to Computershare not less than 24 hours before the time for holding the EGM or any adjournment thereof, if he or she wishes to appoint proxies to attend the EGM on his or her behalf. In this case, the Original Form of Proxy should not be lodged to Computershare.

The address of Computershare is as follows:
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

4. A Shareholder who has already lodged the Original Form of Proxy in accordance with the instructions printed thereon with Computershare should note the following:
 - (i) If no Revised Form of Proxy is lodged with Computershare, the Original Form of Proxy will be treated as a valid form of proxy lodged by the Shareholder if correctly completed. The proxy appointed under the Original Form of Proxy will be entitled to vote in his or her discretion or abstain from voting on any resolutions properly put to the EGM, other than those referred to in the Original Notice of EGM and the Original Form of Proxy, including the additional resolutions set out in this Supplemental Notice of EGM.

SUPPLEMENTAL NOTICE OF EGM

- (ii) If the Revised Form of Proxy is lodged with Computershare in accordance with the instructions printed thereon not less than 24 hours before the time for holding the EGM or any adjournment thereof, the Revised Form of Proxy will revoke and supersede the Original Form of Proxy previously lodged by the Shareholder. The Revised Form of Proxy will be treated as a valid form of proxy lodged by the Shareholder if correctly completed.
 - (iii) If the Revised Form of Proxy is lodged after 24 hours before the time for holding the EGM or any adjournment thereof, the Revised Form of Proxy will be deemed invalid. It will not revoke the Original Form of Proxy previously lodged by the Shareholder. The Original Form of Proxy will be treated as a valid form of proxy lodged by the Shareholder if correctly completed. The proxy appointed under the Original Form of Proxy will be entitled to vote in his or her discretion or abstain from voting on any resolutions properly put to the EGM, other than those referred to in the Original Notice of EGM and the Original Form of Proxy, including the additional resolutions set out in this Supplemental Notice of EGM.
- 5. Completion and return of the Original Form of Proxy and/or Revised Form of Proxy will not preclude a Shareholder from attending in person and voting at the EGM or any adjournment thereof should he/she so wish.
 - 6. The reply slip despatched to the Shareholders on 15 August 2017 will be treated as a valid reply slip for the EGM.

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