中遠海運發展股份有限公司

COSCO SHIPPING Development Co., Ltd.*

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

(Stock Code: 02866)

INSIDE INFORMATION
PROPOSED ISSUANCE OF ASSET-BACKED NOTES BY COSCO SHIPPING LEASING CO., LTD.

This announcement is made by COSCO SHIPPING Development Co., Ltd. (the "**Company**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company is pleased to announce that COSCO SHIPPING Leasing Co., Ltd.# (中遠海運租賃有限公司) ("**COSCO SHIPPING Leasing**"), a company established under the laws of the People's Republic of China (the "**PRC**") with limited liability and a wholly-owned subsidiary of the Company, proposes to apply to the National Association of Financial Market Institutional Investors (the "**Association**") for registration and issuance of asset-backed notes (the "**Asset-backed Notes**") in the aggregate principal amount of not more than RMB2,985.34 million (the "**Proposed Issuance**").

It is proposed that the Asset-backed Notes will be divided into (i) the senior classes, which will account for approximately 80.23% of the Proposed Issuance and will be issued to qualified investors in the PRC, and (ii) the subordinated class, which will account for approximately 19.77% of the Proposed Issuance and will be subscribed by COSCO SHIPPING Leasing. The senior classes of the Asset-backed Notes will have a fixed coupon rate to be determined with reference to the market conditions at the time of the issuance. The subordinated class of the Asset-backed Notes will not have a fixed coupon rate.

The Asset-backed Notes will have a term of not more than four years and will be backed by the creditor's rights and collateral interests of COSCO SHIPPING Leasing pursuant to certain finance leases.

The proceeds from the Proposed Issuance will be used for the business development and the repayment of loans of COSCO SHIPPING Leasing.

Further announcement(s) will be made by the Company in respect of the Proposed Issuance as and when appropriate.

The completion of the Proposed Issuance is subject to, among other things, the approval of the Association. Accordingly, the Proposed Issuance may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Shanghai, the People's Republic of China

28 September 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.".*

\# *For identification purpose only.*