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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 the reply slip to the purchaser or 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.

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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)

(1) PROPOSED APPOINTMENT OF DIRECTORS
AND
(2) 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 3 to 8 of this circular.

A notice convening the EGM to be held at 1:30 p.m. on Thursday, 15 March 2018 at Holiday Inn Shanghai Jinxiu, No. 399 Jinzun Road, Pudong New Area, Shanghai, the PRC was despatched to the Shareholders on 26 January 2018, which is reproduced on pages EGM-1 to EGM-2 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."*

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DEFINITIONS

In this circular, unless the context otherwise requires, the expressions below 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
“Announcement”	the announcement of the Company dated 12 January 2018 in relation to, among other things, the Proposed Appointments
“Board”	the board of directors of the Company
“Company”	COSCO SHIPPING Development Co., Ltd.* (中遠海運發展股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2866) and the Shanghai Stock Exchange (Stock Code: 601866), respectively
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Proposed Appointments
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign shares in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	23 February 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Gu”	Mr. Gu Xu (顧旭)
“Mr. Liang”	Mr. Liang Yanfeng (梁岩峰)
“Ms. Zhang”	Ms. Zhang Weihua (張衛華)
“Notice of EGM”	the notice of the EGM dated 26 January 2018, which was despatched to the Shareholders on 26 January 2018
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Appointment(s)”	the proposed appointments of (i) Mr. Liang as a non-executive Director; and (ii) each of Mr. Gu and Ms. Zhang as an independent non-executive Director
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Supervisor(s)”	supervisor(s) of the Company

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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
The 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
Mr. Lu Jianzhong

Principal place of business in Hong Kong

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

27 February 2018

To the Shareholders

Dear Sir or Madam,

PROPOSED APPOINTMENT OF DIRECTORS

I. INTRODUCTION

Reference is made to the Announcement and the Notice of EGM.

The purpose of this circular is to provide you with, among other things, further details of the Proposed Appointments. At the EGM, ordinary resolutions will be proposed to approve the Proposed Appointments.

LETTER FROM THE BOARD

II. PROPOSED APPOINTMENT OF DIRECTORS

As disclosed in the Announcement, on 12 January 2018, the Board proposed to appoint (i) Mr. Liang as a non-executive Director; and (ii) each of Mr. Gu and Ms. Zhang as an independent non-executive Director. According to the articles of association of the Company, the Proposed Appointments are subject to the approval by the Shareholders at a general meeting of the Company. The ordinary resolutions in relation to the Proposed Appointments will be proposed at the EGM.

The biographical details of Mr. Liang, Mr. Gu and Ms. Zhang are set out as follows:

(1) Mr. Liang

Mr. Liang, aged 52, received his master's degree in law and an executive master of business administration (EMBA) degree at Tsinghua University. He is a senior economist and a member of the Senior Professional and Technical Qualification Examination Committee for Economics of the Ministry of Transport of the People's Republic of China (中華人民共和國交通運輸部經濟系列高級專業技術職務任職資格評審委員會).

Mr. Liang previously served as the general manager of the human resources department and the general manager of capital operations division of China Ocean Shipping (Group) Company[#] (中國遠洋運輸(集團)總公司). He also served as the general manager of COSCO SHIPPING International (Hong Kong) Co., Ltd. (formerly known as COSCO International Holdings Limited), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 517), the vice president and a member of Party Committee of COSCO (Hong Kong) Group Limited[#] (中遠(香港)集團有限公司), the deputy general manager and secretary of Party Committee of Dalian Ocean Shipping Company Limited[#] (大連遠洋運輸有限公司), and the general manager and vice secretary of Party Committee of COSCO Shipyard Group Co., Ltd.[#] (中遠船務工程集團有限公司). Mr. Liang was also the standing committee member of Luzhou Municipal Committee of the Communist Party of China and the deputy mayor (temporary) of Luzhou Municipal Government, Sichuan Province. Mr. Liang is currently the general manager and the vice secretary of Party Committee of COSCO SHIPPING Heavy Industry Company Limited[#] (中遠海運重工有限公司).

Subject to the approval by the Shareholders of the Proposed Appointment of Mr. Liang at the EGM, Mr. Liang will enter into a service contract with the Company for a term of service commencing from the date of his appointment until the end of the term of the current session of the Board. Mr. Liang will not receive any remuneration from the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Liang (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group.

LETTER FROM THE BOARD

(2) Mr. Gu

Mr. Gu, aged 53, has been an independent Supervisor since June 2016. Mr. Gu completed a bachelor's degree and a master's degree in economics from Shanghai University of Finance and Economics (上海財經大學) in 1986 and 1989, respectively. He further obtained a master's degree in business administration awarded jointly by Fudan University (復旦大學) and The University of Hong Kong in 2003.

Mr. Gu has over 20 years of experience in the financial and securities industry as well as extensive experience in corporate financial management. He led and participated in the restructuring, issue and listing of a number of companies listed on the Shanghai Stock Exchange, and succeeded in leading several corporate mergers and acquisitions and reorganizations. He has accumulated theoretical and practical experience in respect of corporate financial and accounting management, assets management, investment management, disposal of distressed assets and management of financial information systems.

Mr. Gu currently serves as the chairman of Shanghai Dongsheng Investment Management Co., Ltd.[#] (上海東晟投資管理有限公司), the general manager of Henan Zhong Yuan Lian Chuang Investment Funds Management Company[#] (河南中原聯創投資基金管理公司) and an independent director of Suzhou Financial Leasing Co., Ltd.[#] (蘇州金融租賃股份有限公司). Mr. Gu is also the chairman and chief executive officer of China New Economy Fund Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 80).

Subject to the approval by the Shareholders of the Proposed Appointment of Mr. Gu at the EGM, Mr. Gu will enter into a service contract with the Company for a term of service commencing from the date of his appointment until the end of the term of the current session of the Board. The remuneration of Mr. Gu will be determined in accordance with the remuneration standards for the onshore independent non-executive Directors.

Save as disclosed above, as at the Latest Practicable Date, Mr. Gu (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group.

LETTER FROM THE BOARD

(3) Ms. Zhang

Ms. Zhang, aged 56, has been an independent Supervisor since June 2016. Ms. Zhang graduated from the Faculty of Business of University of Southern Queensland with a master's degree in business administration. Ms. Zhang previously served as the chief auditor, assistant to the president, the general manager of the audit department and the compliance director of China Merchants Securities Co., Ltd.[#] (招商證券股份有限公司), a joint stock limited company incorporated 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: 6099) and the Shanghai Stock Exchange (Stock Code: 600999), respectively, and was the chairman of the supervisory committee of China Merchants Fund Management Co., Ltd.[#] (招商基金管理有限公司). Ms. Zhang also served as an assistant to the general manager of the securities department in the head office of China Merchants Bank Co., Ltd., a joint stock limited company incorporated 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: 3968) and the Shanghai Stock Exchange (Stock Code: 600036), respectively.

Subject to the approval by the Shareholders of the Proposed Appointment of Ms. Zhang at the EGM, Ms. Zhang will enter into a service contract with the Company for a term of service commencing from the date of her appointment until the end of the term of the current session of the Board. The remuneration of Ms. Zhang will be determined in accordance with the remuneration standards for the onshore independent non-executive Directors.

Save as disclosed above, as at the Latest Practicable Date, Ms. Zhang (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group.

Save as disclosed in this circular, there are no other matters that need to be brought to the attention of the Shareholders in connection with the Proposed Appointments and there is no other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Subject to the approval by the Shareholders of the respective Proposed Appointment, each of Mr. Gu and Ms. Zhang will resign as an independent Supervisor with effect from the date of the EGM.

Each of Mr. Gu and Ms. Zhang has confirmed that he or she has no disagreement with the Board and there are no matters relating to his or her resignation that need to be brought to the attention of the Shareholders and the Hong Kong Stock Exchange.

LETTER FROM THE BOARD

III. EGM

The EGM will be convened at 1:30 p.m. on Thursday, 15 March 2018 at Holiday Inn Shanghai Jinxiu, No. 399 Jinzun Road, Pudong New Area, Shanghai, the PRC, for the Shareholders to consider and, if thought fit, approve the ordinary resolutions in relation to the Proposed Appointments. The Notice of EGM was despatched to the Shareholders on 26 January 2018, which is reproduced on pages EGM-1 to EGM-2 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 Proposed Appointments and no Shareholder is required to abstain from voting at the EGM for the relevant resolutions.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the form of proxy, which was despatched to the Shareholders on 26 January 2018, in accordance with the instructions printed thereon. The forms of proxy must be delivered to Computershare Hong Kong Investor Services Limited not less than 24 hours before the time for holding the EGM or any adjourned thereof in order for such documents to be valid.

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.

Shareholders who intend to attend the EGM must complete the reply slip 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 22 February 2018).

IV. RECOMMENDATION

The Board (including the independent non-executive Directors) is of the view that the Proposed Appointments are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Proposed Appointments.

LETTER FROM THE BOARD

V. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

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

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For identification purposes only.

NOTICE OF EGM

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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)

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 Thursday, 15 March 2018 (or at any adjournment thereof) at Holiday Inn Shanghai Jinxiu, No. 399 Jinzun Road, Pudong New Area, Shanghai, the People's Republic of China to consider and, if thought fit, pass the following resolutions.

ORDINARY RESOLUTIONS

1. To consider and approve the resolution in relation to the appointment of Mr. Liang Yanfeng as a non-executive director of the Company.
2. To consider and approve the resolutions in relation to the appointment of:
 - (a) Mr. Gu Xu as an independent non-executive director of the Company; and
 - (b) Ms. Zhang Weihua as an independent non-executive director of the Company.

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

Shanghai, the People's Republic of China

26 January 2018

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 13 February 2018 to 15 March 2018 (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 12 February 2018 are entitled to attend and vote at the EGM.

NOTICE OF 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 12 February 2018.

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 22 February 2018).

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

23rd 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 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 EGM will be voted on by poll. Results of the poll voting will be published on the website of the Stock Exchange 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.
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, Mr. Graeme Jack and Mr. Lu Jianzhong, being independent non-executive directors.

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