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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)

**PROPOSED REGISTRATION AND ISSUANCE OF
DEBT FINANCING INSTRUMENTS**

The Board is pleased to announce that, on 16 August 2021, the Board has approved the Proposed Registration and Issuance of Debt Financing Instruments, pursuant to which the Company proposes to apply to NAFMII for the registration and issuance of debt financing instruments in the aggregate outstanding balance of not more than RMB15 billion.

The EGM will be convened for the Shareholders to consider and, if thought fit, approve, among other things, the Proposed Registration and Issuance of Debt Financing Instruments. A notice convening the EGM will be despatched to the Shareholders in due course.

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

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The details of the Proposed Registration and Issuance of Debt Financing Instruments are set out below:

Issuer:	The Company
Types of debt financing instruments:	<p>The debt financing instruments to be registered include, but are not limited to, super short-term financing bills, short-term financing bills, medium-term notes, perpetual notes, asset-backed notes, green debt financing instruments and private placement notes.</p> <p>The specific types of debt financing instruments to be registered and issued shall be determined by the Board and the executive director and general manager or the chief accountant authorized by the Board at the issuance stage pursuant to the authorization to be granted at the EGM.</p>
Registration size:	<p>The Company proposes to apply to NAFMII for the registration and issuance of debt financing instruments in the aggregate outstanding balance of not more than RMB15 billion.</p> <p>The type of issue, size of issue, maturity and other terms of each tranche of issuance shall be determined by the Board and the executive director and general manager or the chief accountant authorized by the Board at the issuance stage pursuant to the authorization to be granted at the EGM.</p>
Term:	<p>The term of the debt financing instruments shall be not more than five years (except for perpetual notes).</p> <p>The specific term of the debt financing instruments shall be determined based on the relevant regulatory requirements, the funding needs of the Company and the market conditions at the relevant time.</p>
Interest rate:	<p>The interest rate of each tranche of the debt financing instruments shall be determined based on the market conditions.</p> <p>The Company shall closely monitor the market fluctuations and determine the appropriate timing for the issuance in order to strictly control the issue price.</p>
Method of issuance:	Each tranche of the debt financing instruments will be offered to institutional investors in the interbank market by way of book-building exercise.

Engagement of intermediaries:	The Board and the executive director and general manager or the chief accountant authorized by the Board shall establish a working group for the engagement of intermediaries (including but not limited to underwriters, credit rating agencies and legal advisers) at the application stage pursuant to the authorization to be granted at the EGM.
Guarantee:	The debt financing instruments will not be guaranteed.
Validity period of the resolution:	The resolution in relation to the Proposed Registration and Issuance of Debt Financing Instruments shall become effective from the date of its passing at the EGM, and shall remain valid for 24 months from the date of approval of the Proposed Registration and Issuance of Debt Financing Instruments by NAFMII.
Authorization:	<p>In order to implement the Proposed Registration and Issuance of Debt Financing Instruments, authorization will be sought from the Shareholders at the EGM for the Board and the executive director and general manager or the chief accountant authorized by the Board to handle matters in relation to the debt financing instruments such as registration, issuance, subsistence and payment of principal and interests.</p> <p>If the Board (or persons authorized by the Board) has determined to issue all or part of the debt financing instruments within the abovementioned validity period and approval, permission, filing or registration (as applicable) in respect of the issuance has already been obtained from the regulatory authorities within such validity period, the Company may complete such issuance within the effective period of such approval, permission, filing or registration.</p>

The Proposed Registration and Issuance of Debt Financing Instruments is subject to the approval of the Shareholders at the EGM. Following such approval, the Proposed Registration and Issuance of Debt Financing Instruments will be submitted to the relevant PRC regulatory authorities and will be subject to the approval of NAFMII.

REASONS FOR AND BENEFITS OF THE PROPOSED REGISTRATION AND ISSUANCE OF DEBT FINANCING INSTRUMENTS

The Proposed Registration and Issuance of Debt Financing Instruments would broaden the sources of financing of the Company.

The Board is of the view that the Proposed Registration and Issuance of Debt Financing Instruments is conducive to the comprehensive and sustainable development of the business of the Group, which would in turn enhance the competitiveness of the Company and its return to the Shareholders.

GENERAL

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DEFINITIONS

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follows:

“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
“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
“Directors”	director(s) of the Company
“EGM”	the forthcoming extraordinary general meeting of the Company to be convened at 1:30 p.m. on Thursday, 2 September 2021 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 Proposed Registration and Issuance of Debt Financing Instruments
“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 Stock Exchange”	The Stock Exchange of Hong Kong Limited

“NAFMII”	the National Association of Financial Market Institutional Investors of the People’s Republic of China (中國銀行間市場交易商協會)
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Registration and Issuance of Debt Financing Instruments”	the proposed registration and issuance of debt financing instruments by the Company in the aggregate outstanding balance of not more than RMB15 billion
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the A Share(s) and the H Share(s)

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

Shanghai, the People’s Republic of China
16 August 2021

As at the date of this announcement, the Board comprises Mr. Wang Daxiong, Mr. Liu Chong and Mr. Xu Hui, being executive Directors, Mr. Huang Jian, Mr. Liang Yanfeng and Mr. Ip Sing Chi, being non-executive Directors, and Mr. Cai Hongping, Mr. Lu Jianzhong, Ms. Zhang Weihua and Mr. Shao Ruiqing, 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.”.*