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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The “COSCO SHIPPING Development Co., Ltd. Announcement on Adjusting the Exercise Price of the Share Option Incentive Scheme, the List of Initial Grant Participants, Number of Share Options and Cancellation of Partially Granted but Outstanding Share Options” as published by COSCO SHIPPING Development Co., Ltd. in Chinese on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 29 April 2022 is enclosed hereto as overseas regulatory announcement in Chinese and English for your reference only. In case of any inconsistencies between the Chinese version and the English translation, the Chinese version shall prevail.

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

29 April 2022

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.”.

Short name: COSCO SHIPPING Development

Stock code: 601866

Announcement number: Lin 2022-028

COSCO SHIPPING Development Co., Ltd.
Announcement on Adjusting the Exercise Price of the
Share Option Incentive Scheme, the List of Initial
Grant Participants, Number of Share Options and
Cancellation of Partially Granted but Outstanding
Share Options

The board of directors and all its directors guarantee that this announcement does not contain any misrepresentations, misleading statement or material omission, and assume several and joint responsibility for the authenticity, accuracy and completeness of its contents.

The Share Option Incentive Scheme (hereinafter referred to as the “Share Option Incentive Scheme” and the “Scheme”) of COSCO SHIPPING Development Co., Ltd. (hereinafter referred to as the “Company” and “COSCO SHIPPING Development”) has been considered and approved by the First Extraordinary General Meeting of 2020, the First Class A Shareholder Meeting of 2020 and the First Class H Shareholder Meeting of 2020 of the Company. According to the authorization of the general meeting, the Proposal on Adjusting the Exercise Price of the Share Option Incentive Scheme, the List of Initial Grant Participants, Number of Share Options and Cancellation of Partially Granted but Outstanding Share Options has been considered and approved by the 53rd meeting of the sixth session of the board of directors and the 21st meeting of the sixth session of the supervisory committee. The relevant adjustments are hereby announced as follows:

I. Adjustment of the exercise price of the Share Option Incentive Scheme

1. Pursuant to the Share Option Incentive Scheme (Revised Draft) of the Company, from the date of grant of the share options and prior to the exercise of the share options, in the event of any dividend payment and other ex-rights and ex-dividend matters of the Company, the corresponding exercise price shall be adjusted accordingly with reference to the relevant provisions of Chapter 9 of the Share Option Incentive Scheme (Revised Draft). The adjustment method is as follows:

$$P = P_0 - V$$

where: P_0 represents the exercise price before adjustment; V represents the dividend per share; and P represents the exercise price after adjustment.

2. On 28 July 2020, the Company implemented the 2019 profit distribution plan, pursuant to which a cash dividend of RMB0.45 (inclusive of tax) shall be paid to all shareholders for every 10 shares on the basis of the total share capital registered on the share registration date at the time of the 2019 profit distribution, net of the balance of shares repurchased under the repurchase account at that time. On 28 July 2021, the Company implemented the 2020 profit distribution plan, pursuant to which a cash dividend of RMB0.56 (inclusive of tax) shall be paid to all shareholders for every 10 shares on the basis of the total share capital registered on the share registration date at the time of the 2020 profit distribution, net of the balance of shares repurchased under the repurchase account at that time.

3. In accordance with the above rules, the exercise price of the Share Option Incentive Scheme was adjusted as follows:

$$P = P_0 - V = \text{RMB}2.52 \text{ per share} - \text{RMB}0.045 \text{ per share} - \text{RMB}0.056 \text{ per share} = \text{RMB}2.419 \text{ per share.}$$

Note: P0 represents the exercise price before adjustment (RMB2.52 per share); V represents the dividend per share for 2019 and 2020 (RMB0.045 per share; RMB0.056 per share) respectively; and P represents the exercise price after adjustment (RMB2.419 per share).

II. Adjustment on the list of initial grant participants and number of share options

In view of the resignation and retirement of 13 initial incentive participants and the death of one incentive participant, they no longer qualified as incentive participants. Accordingly, a total of 9,386,917 share options held by the aforesaid incentive participants which had been granted but outstanding had to be cancelled. After the adjustment, the number of incentive participants of the grants of share options of the Company has changed from 124 to 110 and the number of initial grant of options has changed from 78,220,711 to 68,833,794.

III. Opinion of the supervisory committee

In accordance with the relevant laws, regulations and regulatory documents such as the Management Measures on Share Incentives for Listed Companies (hereinafter referred to as the "Management Measures") and the relevant provisions of the Share Option Incentive Scheme (Revised Draft), the Company has adjusted the exercise price of the Share Option Incentive Scheme, the list of initial grant participants, the number of options and cancelled partially granted but outstanding share options due to the distribution of profits and the resignation, retirement or death of the incentive participants of the Company. The situation was true and the procedures were legitimate. There was no falsehood, intentional concealment or material misunderstanding, nor was there any situation detrimental to the interests of the Company and its shareholders, and the relevant laws, regulations and regulatory documents have been complied with.

IV. Opinions of independent directors

In view of the implementation of the 2019 and 2020 profit distribution plans of the Company and the fact that 13 incentive participants no longer qualified as incentive participants due to their resignation or retirement and the death of one incentive

participant, the board of directors of the Company, pursuant to the authorization of the 2020 first extraordinary general meeting, the 2020 first class meeting of A shares and the 2020 first class meeting of H shares of the Company, decided to adjust the exercise price of the Share Option Incentive Scheme, the list of initial grant participants, the number of options and the cancellation of partially granted but outstanding share options. The adjustment was made in accordance with the necessary decision-making procedures and in compliance with the relevant laws, regulations and regulatory documents such as the Management Measures and the relevant provisions of the Share Option Incentive Scheme (Revised Draft), and there was no situation detrimental to the interests of the Company and its shareholders.

V. Conclusive view of the legal opinion

As at the date of the legal opinion, the Company has obtained the necessary approval and authorization for the adjustment of the exercise price of the Share Option Incentive Scheme, the list of initial grant participants, the number of options and the cancellation of partially granted but outstanding share options. The adjustment of the exercise price of the Share Option Incentive Scheme, the list of initial grant participants, the number of options and the cancellation of partially granted but outstanding share options were in compliance with the relevant provisions of the Management Measures and the Share Option Incentive Scheme (Revised Draft).

VI. Documents available for inspection

1. Resolution of the 53rd meeting of the sixth session of the board of directors;
2. Resolution of the 21st meeting of the sixth session of the supervisory committee;
3. Independent opinion of the independent directors on the matters considered at the 53rd meeting of the sixth session of the board of directors of the Company;
4. Legal opinion of Grandall Law Firm (Shanghai) on the adjustment of the exercise price of the Share Option Incentive Scheme, the list of initial grant participants, the number of options and the cancellation of partially granted but outstanding share options and the fulfillment of exercise conditions under the first grant of share option incentive scheme of COSCO SHIPPING Development Co., Ltd.

Announcement is hereby given.

The board of directors of COSCO SHIPPING Development Co., Ltd.

29 April 2022