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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 and the forms of proxy 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.

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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) 2023 REPORT OF THE BOARD**
- (2) 2023 REPORT OF THE SUPERVISORY COMMITTEE**
- (3) 2023 FINANCIAL STATEMENTS AND AUDITORS' REPORT**
- (4) 2023 ANNUAL REPORT**
- (5) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**
- (6) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING**
- (7) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS**
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- (10) PROPOSED GRANT OF AUTHORIZATION TO THE BOARD TO DETERMINE DETAILS OF THE 2024 INTERIM PROFIT DISTRIBUTION PLAN**
- (11) REMUNERATION OF DIRECTORS AND SUPERVISORS FOR THE YEAR 2024**
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- (13) PROVISION OF GUARANTEES**
- (14) PROPOSED GRANT OF A SHARE REPURCHASE MANDATE**
- (15) PROPOSED GRANT OF H SHARE REPURCHASE MANDATE**
- (16) 2023 WORK REPORT OF INDEPENDENT DIRECTORS**
- (17) NOTICE OF ANNUAL GENERAL MEETING AND**
- (18) NOTICE OF H SHARE CLASS MEETING**

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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 6 to 20 of this circular. The Notice of AGM convening the AGM to be held at 1:30 p.m. on Friday, 28 June 2024 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC is set out on pages AGM-1 to AGM-7 of this circular. The notice of the H Shareholders' Class Meeting to be held on the same date and at the same place immediately after the A Shareholders' Class Meeting, which will be held immediately after the AGM on the same date and at the same place, is set out on pages HCM-1 to HCM-6 of this circular.

\* *The Company is a registered non-Hong Kong company as defined in the Companies Ordinance (Chapter 622 of the Laws of HongKong) and it is registered under its Chinese name and under the English name "COSCO SHIPPING Development Co., Ltd."*

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## DEFINITIONS

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*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
“A Share Class Meeting”	the forthcoming class meeting of the A Shareholders to be convened immediately after the AGM on the same date and at the same place of the AGM
“A Share Repurchase Mandate”	the general mandate proposed to be granted to the Board to repurchase A Shares not exceeding 10% of the number of A Shares in issue as at the date of passing the proposed relevant resolutions at the AGM, the A Share Class Meeting and the H Share Class Meeting
“A Shareholder(s)”	holder(s) of A Share(s)
“AGM”	the forthcoming annual general meeting of the Company to be convened at 1:30 p.m. on Friday, 28 June 2024 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC (or any adjournment thereof) to consider and, if thought fit, approve the resolutions contained in the Notice of AGM
“Articles of Association”	the articles of association of the Company as amended and adopted from time to time
“associates”	has the meaning ascribed to it under the Hong Kong Listing Rules
“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
“Computershare”	Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company

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## DEFINITIONS

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“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“COSCO SHIPPING”	China COSCO Shipping Corporation Ltd.# (中國遠洋海運集團有限公司), a PRC state-owned enterprise and an indirect controlling shareholder of the Company
“COSCO SHIPPING Development HK”	COSCO SHIPPING Development (Hong Kong) Co., Ltd. (中遠海運發展(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“COSCO SHIPPING Group”	COSCO SHIPPING and its subsidiaries and/or associates
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Dong Fang International”	Dong Fang International Asset Management Limited (東方國際資產管理有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“FIL”	Florens International Limited (佛羅倫國際有限公司), a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Florens Container”	Florens Container Industry Limited, a company incorporated under the laws of British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

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## DEFINITIONS

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“Florens Maritime”	Florens Maritime Limited, a company incorporated under the laws of Bermuda with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guaranteed Subsidiaries”	collectively, COSCO SHIPPING Development HK, Oriental Fleet, Oriental Fleet Pulp 01, Florens Maritime, Florens Container and Dong Fang International
“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
“H Share Class Meeting”	the forthcoming class meeting of the H Shareholders to be convened on the same date and at the same place immediately after the A Share Class Meeting (which is to be held immediately after the AGM on the same date and at the same place)
“H Share Repurchase Mandate”	the general mandate proposed to be granted to the Board to repurchase H Shares not exceeding 10% of the number of H Shares in issue as at the date of passing the proposed relevant resolutions at the AGM, the A Share Class Meeting and the H Share Class Meeting
“H Shareholder(s)”	holder(s) of H Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	31 May 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

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## DEFINITIONS

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“Notice of AGM”	the notice of the AGM dated 7 June 2024, which is set out on AGM-1 to AGM-7 of this circular
“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 a wholly-owned subsidiary of the Company
“Oriental Fleet Pulp 01”	Oriental Fleet Pulp 01 Limited (東方富利紙漿01有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Overseas Regulatory Announcement”	the overseas regulatory announcement of the Company dated 29 April 2024 in relation to the Provision of Guarantees
“PRC”	the People’s Republic of China
“PRC Company Law”	PRC Company Law (《中華人民共和國公司法》) and its amendments issued from time to time
“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 of this circular
“Proposed Amendments to the Rules of Procedure of the Board of Directors”	the proposed amendments to the Rules of Procedure of the Board of Directors, the full text of which is set out in Appendix III of this circular
“Proposed Amendments to the Rules of Procedure of the Shareholders’ General Meeting”	the proposed amendments to the Rules of Procedure of the Shareholders’ General Meeting, the full text of which is set out in Appendix II of this circular
“Proposed Amendments to the Working Rules of Independent Non-executive Directors”	the proposed amendments to the Working Rules of Independent Non-executive Directors, the full text of which is set out in Appendix IV of this circular

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## DEFINITIONS

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“Provision of Guarantees”	the proposed provisions of guarantees in the aggregate amounts of not exceeding RMB0.35 billion and US\$2.84 billion for the Guaranteed Subsidiaries and the relevant authorisation to the Board, further details of which are set out in the Overseas Regulatory Announcement
“Register of Members”	the register of H Shares members of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“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 purposes only*

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## LETTER FROM THE BOARD

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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)

*Executive Director:*

Mr. Zhang Mingwen (*Chairman*)

*Non-executive Directors:*

Mr. Huang Jian

Mr. Liang Yanfeng

Mr. Ip Sing Chi

*Independent Non-executive Directors:*

Mr. Lu Jianzhong

Ms. Zhang Weihua

Mr. Shao Ruiqing

Mr. Chan Kwok Leung

*Legal address in the PRC:*

Room A – 538

International Trade Center

China (Shanghai) Pilot Free Trade Zone

Shanghai

The PRC

*Principal place of business in the PRC:*

5299 Binjiang Dadao

Pudong New District

Shanghai

The PRC

*Principal place of business in Hong Kong:*

51/F, COSCO Tower

183 Queen's Road Central

Hong Kong

7 June 2024

To the Shareholders

Dear Sir/Madam,

- (1) 2023 REPORT OF THE BOARD
- (2) 2023 REPORT OF THE SUPERVISORY COMMITTEE
- (3) 2023 FINANCIAL STATEMENTS AND AUDITORS' REPORT
- (4) 2023 ANNUAL REPORT
- (5) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
- (6) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING
- (7) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS
- (8) PROPOSED AMENDMENTS TO THE WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS
- (9) 2023 PROFIT DISTRIBUTION PLAN
- (10) PROPOSED GRANT OF AUTHORIZATION TO THE BOARD TO DETERMINE DETAILS OF THE 2024 INTERIM PROFIT DISTRIBUTION PLAN
- (11) REMUNERATION OF DIRECTORS AND SUPERVISORS FOR THE YEAR 2024
- (12) RE-APPOINTMENT OF DOMESTIC AUDITOR, INTERNAL CONTROL AUDITOR AND APPOINTMENT OF INTERNATIONAL AUDITOR FOR THE YEAR 2024
- (13) PROVISION OF GUARANTEES
- (14) PROPOSED GRANT OF A SHARE REPURCHASE MANDATE
- (15) PROPOSED GRANT OF H SHARE REPURCHASE MANDATE
- (16) 2023 WORK REPORT OF INDEPENDENT DIRECTORS
- (17) NOTICE OF ANNUAL GENERAL MEETING AND
- (18) NOTICE OF H SHARE CLASS MEETING



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## LETTER FROM THE BOARD

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### I. INTRODUCTION

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

- (i) such information as is reasonably necessary to enable you to make an informed decision as to whether to vote for or against the resolutions to be proposed at the AGM and the H Shareholders' Class Meeting;
- (ii) further details of the shareholders' resolutions to be proposed at the AGM and the H Shareholders' Class Meeting.

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

- (i) the report of the Board for the year ended 31 December 2023;
- (ii) the report of the Supervisory Committee for the year ended 31 December 2023;
- (iii) the audited financial statements and the auditors' report of the Group for the year ended 31 December 2023;
- (iv) the annual report of the Company for the year ended 31 December 2023;
- (v) the proposed profit distribution plan of the Company and the proposed payment of a final dividend of RMB0.032 per Share (inclusive of applicable tax) for the year ended 31 December 2023;
- (vi) proposed grant of authorization to the Board to determine details of the 2024 interim profit distribution plan;
- (vii) the remuneration of the Directors and the Supervisors for the year 2024;
- (viii) the re-appointment of the domestic auditor, the internal control auditor and international auditor for the year 2024;
- (ix) the Proposed Amendments to the Working Rules of Independent Non-Executive Directors;

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

- (i) the Provision of Guarantees;
- (ii) the Proposed Amendments to the Articles of Association;
- (iii) the Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting;
- (iv) the Proposed Amendments to the Rules of Procedures of the Board of Directors;

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## LETTER FROM THE BOARD

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- (v) Proposed grant of A Share Repurchase Mandate; and
- (vi) Proposed grant of H Share Repurchase Mandate.

At the AGM, the report below will be proposed for Shareholders' review without voting by Shareholders:

- (i) the work report of the independent non-executive Directors for the year ended 31 December 2023.

At the H Shareholders' Class Meeting, special resolutions will be proposed to approve:

- (i) Proposed grant of A Share Repurchase Mandate; and
- (ii) Proposed grant of H Share Repurchase Mandate.

### **II. REPORT OF THE BOARD FOR THE YEAR ENDED 31 DECEMBER 2023**

An ordinary resolution will be proposed at the AGM to approve the report of the Board for the year ended 31 December 2023. The full text of the aforesaid report of the Board is set out in the annual report of the Company which has been despatched to the Shareholders on 24 April 2024.

The report of the Board for the year ended 31 December 2023 was considered and approved by the Board on 28 March 2024 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

### **III. REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2023**

An ordinary resolution will be proposed at the AGM to approve the report of the Supervisory Committee for the year ended 31 December 2023. The full text of the aforesaid report of the Supervisory Committee is set out in the annual report of the Company which has been despatched to the Shareholders on 24 April 2024.

The Supervisory Committee is comprised of (i) two Supervisors Mr. Ye Hongjun, Ms. Zhu Mei, who were representatives of the controlling shareholders of the Company elected at a general meeting; and (ii) one employee Supervisor Mr. Zhao Xiaobo, who was a representative of the employees of the Company elected by the employees of the Company.

The report of the Supervisory Committee for the year ended 31 December 2023 was considered and approved by the Supervisory Committee on 28 March 2024 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

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## **LETTER FROM THE BOARD**

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### **IV. AUDITED FINANCIAL STATEMENTS AND AUDITORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

An ordinary resolution will be proposed at the AGM to approve the audited financial statements and the auditors' report of the Group for the year ended 31 December 2023. The full text of the aforesaid financial statements and auditors' report is set out in the annual report of the Company which has been despatched to the Shareholders on 24 April 2024.

The audited financial statements and the auditors' report of the Group for the year ended 31 December 2023 was considered and approved by the Board on 28 March 2024 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

### **V. 2023 ANNUAL REPORT**

An ordinary resolution will be proposed at the AGM to approve the annual report of the Company for the year ended 31 December 2023. The aforesaid annual report has been despatched to the Shareholders and also published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://development.coscoshipping.com>) on 24 April 2024.

The 2023 annual report was considered and approved by the Board on 28 March 2024 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

### **VI. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING, THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS AND THE WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

As disclosed in the announcement of the Company dated 31 May 2024, the Board proposed to make certain amendments to (i) the Articles of Association, (ii) the Rules of Procedure of the Shareholders' General Meeting, (iii) the Rules of Procedure of the Board of Directors, and (iv) the Working Rules of Independent Non-executive Directors, mainly to (i) bring the relevant provisions of the Articles of Association, the Rules of Procedure of the Shareholders' General Meeting, the Rules of Procedure of the Board of Directors and the Working Rules of Independent Non-executive Directors in compliance with the relevant requirements of the prevailing applicable PRC laws and regulations; (ii) reflect the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers under the Hong Kong Listing Rules; and (iii) further improve the corporate governance of the Company.

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## LETTER FROM THE BOARD

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The Directors are of the view that the Proposed Amendments to the Articles of Association, the Rules of Procedure of the Shareholders' General Meeting, the Rules of Procedure of the Board of Directors and the Rules of Working Independent Non-executive Directors are in the interests of the Company and the Shareholders as a whole.

The full text of the Proposed Amendments to the Articles of Association, the Proposed Amendments to the Rules of Procedure of the Shareholders' General Meeting, the Proposed Amendments to the Rules of Procedure of the Board of Directors and the Proposed Amendments to the Working Rules of Independent Non-executive Directors is prepared in Chinese and is set out in Appendix I, Appendix II, Appendix III and Appendix IV to this circular, respectively. If there is any inconsistency between the English translation and the Chinese version of the Proposed Amendments to the Articles of Association, the Proposed Amendments to the Rules of Procedure of the Shareholders' General Meeting, the Proposed Amendments to the Rules of Procedure of the Board of Directors and the Proposed Amendments to the Working Rules of Independent Non-executive Director, the Chinese version shall prevail.

The Proposed Amendments to the Articles of Association, the Proposed Amendments to the Rules of Procedure of the Shareholders' General Meeting and the Proposed Amendments to the Rules of Procedure of the Board of Directors are subject to the approval by the Shareholders by way of special resolutions at the AGM. The Proposed Amendments to the Working Rules of Independent Non-executive Directors is subject to the approval by the Shareholders by way of ordinary resolution at the AGM.

### **VII. 2023 PROFIT DISTRIBUTION PLAN**

#### **1. Proposed payment of a final dividend**

An ordinary resolution will be proposed at the AGM to approve the proposed profit distribution plan of the Company for the year ended 31 December 2023 in accordance with the Articles of Association.

According to the China Accounting Standards for Business Enterprises, the parent company's profit available for distribution at the end of 2023 in the consolidated financial statements of the Company for 2023 was RMB1,815,861,257.72. The Board and the Supervisory Committee have resolved to distribute profits for the year 2023 on the basis of the total share capital registered on the date of registration of equity distribution less the number of shares in the Company's repurchase special account.

The Board proposed the payment of a final dividend of RMB0.032 per Share (inclusive of applicable tax) for the year ended 31 December 2023, totaling approximately RMB433,510,858.24 (inclusive of applicable tax) calculated based on 13,547,214,320 Shares, being the total number of issued Shares of 13,575,938,612 as at the Latest Practicable Date deducting 28,724,292 A Shares repurchased by the Company. The final dividend of the Company for this year accounted for 30.76% of the Company's net profit attributable to shareholders of the listed company of 2023.

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## LETTER FROM THE BOARD

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The final dividend will be paid to A Shareholders and domestic investors investing in H Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect in RMB and to H Shareholders in HK\$. The actual amount of final dividend to be distributed and paid to H Shareholders in HK\$ will be calculated in accordance with the average middle exchange rate for RMB to HK\$ as quoted by the People's Bank of China for the period of one week before the announcement of the final dividend, being the date of the AGM (subject to the approval by the Shareholders). It is expected that the final dividend in respect of the H Shares will be distributed and paid within two months after the approval at the AGM on or around 30 July 2024.

The 2023 profit distribution plan was considered and approved by the Board on 28 March 2024 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

### **2. Enterprise income tax**

According to the Law on Corporate Income Tax of the People's Republic of China and the relevant implementation rules which came into effect on 1 January 2008, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividends for the year ended 31 December 2023 to non-resident enterprise shareholders as appearing on the Register of Members. Any Shares not registered in the name of an individual person, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and will therefore be subject to the withholding of the corporate income tax. After receiving the final dividends, non-resident enterprise shareholders may apply, personally or by proxy, to provide materials to the competent taxation authorities proving their eligibility to be the actual beneficiaries under the taxation agreements (arrangement) to enjoy tax refund.

### **3. Individual income tax**

Pursuant to the requirements of Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (Cai Shui Zi [1994] No. 020) (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)), individual foreigners are exempted from individual income tax on dividends and bonus received from foreign-invested enterprises in the PRC. As the Company is a foreign-invested joint stock limited company, foreign individual H Shareholders whose names appeared on the Register of Members are not required to pay the individual income tax of the PRC.

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## LETTER FROM THE BOARD

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#### 4. Profit distribution for domestic investors investing in H Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect

##### **Shanghai-Hong Kong Stock Connect**

For domestic investors (including enterprises and individuals) investing in the H Shares through the Shanghai Stock Exchange, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the H Shareholders through Shanghai-Hong Kong Stock Connect, will receive the final dividends paid by the Company and further distribute the final dividends to the relevant investors of H Shares through Shanghai-Hong Kong Stock Connect through its depository and clearing system.

The final dividends will be paid to investors investing in H Shares through Shanghai-Hong Kong Stock Connect in RMB. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC:

- (i) for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the relevant H share listed company shall withhold and pay individual income tax payable by such mainland individual investors at the rate of 20% on their behalf;
- (ii) for dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, individual income tax payable by such mainland securities investment funds shall be withheld and paid by the relevant H share listed company in the same manner as stated in paragraph (i) above; and
- (iii) for dividends received by mainland enterprise investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the relevant H share listed company shall not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the income tax themselves.

##### ***Shenzhen-Hong Kong Stock Connect***

For domestic investors (including enterprises and individuals) investing in the H Shares through the Shenzhen Stock Exchange, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the H Shareholders through Shenzhen-Hong Kong Stock Connect, will receive the final dividends paid by the Company and further distribute the final dividends to the relevant investors of H Shares through Shenzhen-Hong Kong Stock Connect through its depository and clearing system.

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## LETTER FROM THE BOARD

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The final dividends will be paid to investors investing in H Shares through Shenzhen-Hong Kong Stock Connect in RMB. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)):

- (i) for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the relevant H share listed company shall withhold and pay individual income tax payable by such mainland individual investors at the rate of 20% on their behalf;
- (ii) dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, individual income tax payable by such mainland securities investment funds shall be withheld and paid by the relevant H share listed company in the same manner as stated in paragraph (i) above; and
- (iii) for dividends received by mainland enterprise investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the relevant H share listed company shall not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the income tax themselves.

The record date, the date of distribution and other arrangements in relation to the payment of the final dividends to domestic investors investing in the H Shares through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect will be the same as those for the H Shareholders.

### **5. To qualify for the proposed final dividend for the year ended 31 December 2023**

For the purpose of determining the H Shareholders' entitlement to the proposed final dividend for the year ended 31 December 2023, the Register of Members will be closed from Wednesday, 10 July 2024 to Monday, 15 July 2024 (both days inclusive), during which period no transfer of H Shares of the Company will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on Tuesday, 9 July 2024 are entitled to receive the proposed final dividend. In order to qualify for the proposed final dividend, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 9 July 2024.

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## **LETTER FROM THE BOARD**

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### **VIII. PROPOSED GRANT OF AUTHORIZATION TO THE BOARD TO DETERMINE DETAILS OF THE 2024 INTERIM PROFIT DISTRIBUTION PLAN**

Pursuant to the Articles of Association, an ordinary resolution will be proposed at the AGM to approve the proposed grant of authorization of the Board to determine details of the 2024 interim profit distribution plan.

The Board proposes to the Shareholders' general meeting to authorize the Board to determine details of the 2024 interim profit distribution plan of the Company and to handle the matters related to the interim profit distribution at its sole discretion, that is, subject to satisfaction of the conditions of distribution of cash dividends pursuant to the Articles of Association in effect at that time, the Board may determine to conduct the 2024 interim profit distribution by the way of cash dividends, and the total cash dividends shall be no more than 30% of the Company's net profit attributable to shareholders of the listed company in the first half of 2024. Whether to implement the interim profit distribution and the specific amount of distribution shall be determined by the Board based on the 2024 interim results and the capital requirements of the Company.

As the relevant amendments to the Articles of Association in relation to the grant of authorization to the Board by the Shareholders' general meeting to determine the interim dividend plan will become effective after the consideration and approval at the AGM, and the grant of authorization to the Board to determine details of the 2024 interim profit distribution plan is subject to the consideration and approval at the general meeting and the amended Articles of Association taking effect.

The proposed grant of authorization to the Board to determine details of the 2024 interim profit distribution plan was considered and approved by the Board on 31 May 2024 and will be submitted, by way of an ordinary resolution, for the Shareholders' consideration and approval at the AGM.

### **IX. REMUNERATION OF DIRECTORS AND SUPERVISORS FOR THE YEAR 2024**

An ordinary resolution will be proposed at the AGM to approve the remuneration of the Directors and the Supervisors for the year 2024, details of which are as follows:

- (i) the Directors and the Supervisors, who are nominated by the controlling shareholders and are employed and remunerated by China COSCO SHIPPING Corporation Limited and its direct subsidiaries, shall receive no remuneration from the Company as they have been remunerated by China COSCO SHIPPING Corporation Limited or its direct subsidiaries; and the external Directors shall receive remuneration based on the remuneration standard for the independent Directors;



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## LETTER FROM THE BOARD

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- (ii) the Directors and the employee Supervisors, who are employed as management or non-management personnel of the Company, shall receive remuneration after the remuneration proposal of their position has been approved, and shall receive no additional remuneration as a Director or an employee Supervisor; and
- (iii) the remuneration standard for the onshore independent Directors who are residents in the PRC is RMB150,000 per year (before tax). The remuneration standard for the offshore independent Directors who are residents outside the PRC is RMB300,000 per year (before tax). Both onshore independent Directors and offshore independent Directors shall perform their duties and functions as independent Directors of the Company.

Taking into account (i) remuneration arrangement for comparable companies incorporated in the PRC and (ii) the recommendation of the Remuneration Committee, the Board considers the above compensation arrangement is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

The abovementioned resolution in relation to the remuneration of the Directors and Supervisors was considered and approved by the Board on 28 March 2024 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

### **X. RE-APPOINTMENT OF DOMESTIC AUDITOR, INTERNAL CONTROL AUDITOR AND INTERNATIONAL AUDITOR FOR THE YEAR 2024**

Each of the following ordinary resolutions will be proposed at the AGM to approve the re-appointment of the domestic auditor, the internal control auditor and the international auditor of the Company, details of which are as follows:

- (i) to re-appoint ShineWing Certified Public Accountants LLP as the Company's domestic auditor for the year of 2024, with remuneration of RMB5.28 million (inclusive of applicable tax);
- (ii) to re-appoint ShineWing Certified Public Accountants LLP as the Company's internal control auditor for the year of 2024, with remuneration of RMB0.92 million (inclusive of applicable tax); and
- (iii) to re-appoint SHINEWING (HK) CPA Limited as the international auditor of the Company for the year of 2024, with remuneration of RMB4.96 million (inclusive of applicable tax).

The abovementioned resolutions in relation to the re-appointment of the domestic auditor, the internal control auditor and the appointment of the international auditor of the Company for the year of 2024 were considered and approved by the Board on 28 March 2024 and will be submitted, by way of ordinary resolutions, for the Shareholders' consideration and approval at the AGM.

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## LETTER FROM THE BOARD

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### **XI. PROVISION OF GUARANTEES**

As disclosed in the Overseas Regulatory Announcement, on 29 April 2024, the Board resolved that the Company, FIL shall provide the following guarantees for the Guaranteed Subsidiaries in the aggregate amounts of not exceeding RMB0.35 billion and US\$2.84 billion during the period from 1 July 2024 to 30 June 2025 and the relevant authorization shall be given to the Board to consider and approve each guarantee within the approved cap, including but not limited to the manner, type, term and amount of the guarantees:

- (i) the provision of guarantee for COSCO SHIPPING Development HK by the Company in the amount of not exceeding US\$1.8 billion;
- (ii) the provision of guarantee for Oriental Fleet by the Company in the amount of not exceeding US\$0.45 billion;
- (iii) the provision of guarantee for Oriental Fleet Pulp 01 by the Company in the amount of not exceeding US\$0.04 billion;
- (iv) the provision of guarantee for Florens Maritime by the Company in the amount of not exceeding US\$0.45 billion;
- (v) the provision of guarantee for Florens Container by the Company in the amount of not exceeding US\$0.1 billion; and
- (vi) the provision of guarantee for Dong Fang International by FIL in the amount of not exceeding RMB0.35 billion.

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

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

### **XII. PROPOSED GRANT OF A SHARE REPURCHASE MANDATE**

In order to maintain the value of the Company and the interests of the Shareholders and give the Company the flexibility to repurchase Shares if and when appropriate, the resolution in relation to the proposed grant of the A Share Repurchase Mandate was considered and approved by the Board on 31 May 2024. The resolution in relation to the proposed grant of the A Share Repurchase Mandate will be proposed by way of special resolution for the Shareholders' consideration and approval at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, details of which are set out below and in the notices of the AGM and the H Shareholders' Class Meeting contained in this circular.

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## LETTER FROM THE BOARD

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Pursuant to the A Share Repurchase Mandate, the total number of A Shares repurchased by the Company with its self-raised funds during the Relevant Period (as defined below) shall not exceed 10% of the total number of A Shares in issue as at the date of consideration and approval of the resolution in relation to the grant of the A Share Repurchase Mandate at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

For the purpose of the A Share Repurchase Mandate, the "Relevant Period" means the period from the date of passing of the special resolution in relation to the grant of the A Share Repurchase Mandate at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting until whichever is the earliest of:

- (i) the conclusion of 2024 annual general meeting of the Company; or
- (ii) the date on which the A Share Repurchase Mandate is revoked or varied by a special resolution at any general meeting, A Shareholders' class meeting and H Shareholders' class meeting of the Company.

If, during the Relevant Period, the Board or the authorised person of the Board has signed the necessary documents, completed the necessary formalities, and such documents, formalities may need to be performed, carried out or continued after the end of the Relevant Period, the Relevant Period will be extended accordingly.

The proposed grant of the A Share Repurchase Mandate is only an authorisation to the Board at the AGM to deal with matters relating to the repurchase of A Shares. Upon consideration and approval at the general meeting, the Company will determine the timing for implementing the repurchase based on the Company's actual situation and share price performance in compliance with the relevant requirements of applicable PRC laws. An explanatory statement containing information regarding the proposed grant of the A Share Repurchase Mandate is set out in Appendix V to this circular. The proposed grant of the A Share Repurchase Mandate is subject to the approval of the Shareholders at the AGM and the approval of A Shareholders and H Shareholders at the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, respectively, by way of special resolution.

### **XIII. PROPOSED GRANT OF H SHARE REPURCHASE MANDATE**

In order to maintain the value of the Company and the interests of the Shareholders and give the Company the flexibility to repurchase Shares if and when appropriate, the resolution in relation to the proposed grant of the H Share Repurchase Mandate was considered and approved by the Board on 31 May 2024. The resolution in relation to the proposed grant of the H Share Repurchase Mandate will be proposed by way of special resolution for the Shareholders' consideration and approval at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, details of which are set out below and in the notices of the AGM and the H Shareholders' Class Meeting contained in this circular.

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## LETTER FROM THE BOARD

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Pursuant to the H Share Repurchase Mandate, the total number of H Shares repurchased by the Company with its self-raised funds during the Relevant Period (as defined below) shall not exceed 10% of the total number of H Shares in issue as at the date of consideration and approval of the resolution in relation to the grant of the H Share Repurchase Mandate at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

For the purpose of the H Share Repurchase Mandate, the "Relevant Period" means the period from the date of passing of the special resolution in relation to the grant of the H Share Repurchase Mandate at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting until whichever is the earliest of:

- (i) the conclusion of the 2024 annual general meeting of the Company; or
- (ii) the date on which the H Share Repurchase Mandate is revoked or varied by a special resolution at any general meeting, A Shareholders' class meeting and H Shareholders' class meeting of the Company.

If, during the Relevant Period, the Board or the authorised person of the Board has signed the necessary documents, completed the necessary formalities, and such documents, formalities may need to be performed, carried out or continued after the end of the Relevant Period, the Relevant Period will be extended accordingly.

The proposed grant of the H Share Repurchase Mandate is only an authorisation to the Board at the AGM to deal with matters relating to the repurchase of H Shares. Upon consideration and approval at the general meeting, the Company will determine the timing for implementing the repurchase based on the Company's actual situation and share price performance in compliance with the relevant requirements of the Hong Kong Listing Rules. An explanatory statement containing information regarding the proposed grant of the H Share Repurchase Mandate is set out in Appendix V to this circular. The proposed grant of the H Share Repurchase Mandate is subject to the approval of the Shareholders at the AGM and the approval of A Shareholders and H Shareholders at the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, respectively, by way of special resolution.

#### **XIV. AGM AND CLASS MEETINGS**

The AGM of the Company will be held at 1:30 p.m. on 28 June 2024 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC, the A Shareholders' Class Meeting will be held at the same place immediately after the conclusion of the AGM, and the H Shareholders' Class Meeting will be held at the same place immediately after the conclusion of the A Shareholders' Class Meeting.

The AGM will be convened for the Shareholders to consider and, if thought fit, approve the above resolutions. The resolutions in relation to (i) 2023 report of the board; (ii) 2023 report of the supervisory committee; (iii) 2023 financial statements and auditors' report; (iv) 2023 annual report; (v) 2023 profit distribution plan; (vi) grant of authorization to the Board

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## LETTER FROM THE BOARD

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to determine details of the 2024 interim profit distribution plan; (vii) remuneration of directors and supervisors for the year 2024; (viii) re-appointment of domestic auditor, internal control auditor and international auditor for the year 2024; and (iv) Proposed Amendments to the Working Rules of Independent Non-Executive Directors will be submitted, by way of ordinary resolutions, for the Shareholders' approval at the AGM. The resolutions in relation to (i) Provision of Guarantees, (ii) the Proposed Amendments to the Articles of Association; (iii) the Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting; (iv) the Proposed Amendments to the Rules of Procedures of the Board of Directors; (v) the proposed grant of A Share Repurchase Mandate; and (vi) the proposed grant of H Share Repurchase Mandate will be submitted, by way of special resolutions, for the Shareholders' approval at the AGM. The H Share Class Meeting will be convened to consider and, if thought fit, approve the special resolutions in respect of the proposed grant of the A Share Repurchase Mandate and the proposed grant of the H Share Repurchase Mandate. The voting in relation to such resolutions will be conducted by way of poll.

The Notice of the AGM, which contains the resolutions to be proposed at the AGM, is set out on pages AGM-1 to AGM-7 of this circular. The notice of the H Shareholders' Class Meeting, which contains the resolution to be proposed at the H Shareholders' Class Meeting, is set out on pages HCM-1 to HCM-6 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 AGM and H Share Class Meeting, and therefore no Shareholder is required to abstain from voting at the AGM and the H Share Class Meeting for such resolutions.

For the H Shareholders, the forms of proxy should be returned to Computershare, the H Share registrar of the Company, by hand or by post not less than 24 hours before the time appointed for holding the AGM and/or the H Share Class Meeting or any adjourned meeting thereof.

Completion and return of the forms of proxy will not preclude a Shareholder from attending and voting in person at the AGM and/or the H Share Class Meeting or at any adjourned meeting thereof should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

### **XV. CLOSE OF REGISTER OF MEMBERS**

#### **To attend and vote at the AGM and H Share Class Meeting**

For the purpose of ascertaining the H Shareholders' entitlement to attend and vote at the AGM and the H Share Class Meeting or any adjournment or postponement thereof (as the case may be), the Register of Members will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024 (both days inclusive), during which period no transfer of H Shares will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on Monday, 24 June 2024 are entitled to attend and vote at the AGM and the H Share Class Meeting.

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## LETTER FROM THE BOARD

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In order to attend and vote at the AGM and the H Share Class Meeting, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 24 June 2024.

### **To qualify for the proposed final dividend for the year ended 31 December 2023**

For the purpose of determining the H Shareholders' entitlement to the proposed final dividend for the year ended 31 December 2023, the Register of Members will be closed from Wednesday, 10 July 2024 to Monday, 15 July 2024 (both days inclusive), during which period no transfer of H Shares of the Company will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on Tuesday, 9 July 2024 are entitled to receive the proposed final dividend. In order to qualify for the proposed final dividend, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 9 July 2024.

### **XVI. RECOMMENDATION**

The Board considers that the abovementioned resolutions are in the best interests 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 AGM, the A Share Class Meeting and the H Share Class Meeting.

By order of the Board  
**COSCO SHIPPING Development Co., Ltd.\***  
**Cai Lei**  
*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."*

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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

Existing articles of the Articles of Association	To be amended as
<p><b>Chapter I General provisions</b></p>	<p><b>Chapter I General provisions</b></p>
<p><b>Article 1.2</b> The Company was established as a limited company in accordance with the “Company Law”, “Securities Law”, <del>“Special regulations of the State Council regarding overseas placement and listing of companies limited”</del> (hereinafter referred to as the <del>“special regulation”</del>) and other laws and regulations of the state.</p> <p>As approved by the SASAC on February 5, 2004 through its document GZGG [2004] No. 49, and set up by China Shipping (Group) Corporation (China Shipping (Group) Corporation was restructured and renamed to “China Shipping Group Company Limited” on 13 December 2017, the old company name is used in the relevant articles of the Articles of Association where the history of the Company is stated) as the exclusive sponsor through sponsorship, the Company is registered with Shanghai Administration for Industry and Commerce on March 3, 2004 and obtains its business license. The current registration number of the Company’s Legal Person Business License and its Unified Social Credibility Code is: 91310000759579978L.</p> <p>Before the first issue of H Shares, the Company had China Shipping (Group) Corporation as its shareholder, and the shares held by it were stated-owned legal entity shares.</p>	<p><b>Article 1.2</b> The Company was established as a limited company in accordance with the “Company Law”, “Securities Law” and other laws and regulations of the state.</p> <p>As approved by the SASAC on February 5, 2004 through its document GZGG [2004] No. 49, and set up by China Shipping (Group) Corporation (China Shipping (Group) Corporation was restructured and renamed to “China Shipping Group Company Limited” on 13 December 2017, the old company name is used in the relevant articles of the Articles of Association where the history of the Company is stated) as the exclusive sponsor through sponsorship, the Company is registered with Shanghai Administration for Industry and Commerce on March 3, 2004 and obtains its business license. The current registration number of the Company’s Legal Person Business License and its Unified Social Credibility Code is: 91310000759579978L.</p> <p>Before the first issue of H Shares, the Company had China Shipping (Group) Corporation as its shareholder, and the shares held by it were stated-owned legal entity shares.</p>
<p><b>Article 1.8</b> After being adopted by the Company’s general meeting through its special resolution and approved by relevant competent departments of the state, the Articles of Association will come into effect on the date of listing A Shares on the domestic stock exchange, and fully replace its Articles of Association originally registered with the industrial and commercial administration.</p>	<p><b>Article 1.8</b> After being adopted by the Company’s general meeting through its special resolution, the Articles of Association will come into effect, and fully replace its Articles of Association originally filed with the administration for market regulation.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<b>Chapter VI Share and register of shareholders</b>	<b>Chapter VI Share and register of shareholders</b>
<p><b>Article 6.2</b> The Company’s share certificates shall be in registered form.</p> <p>Share certificates of the Company shall specify the following major particulars:</p> <p>(I) Name of the Company;</p> <p>(II) Date of incorporation of the Company;</p> <p>(III) Class, par value and number of shares represented by each share certificate;</p> <p>(IV) The serial number of each share certificate;</p> <p>(V) Other matters required to be specified pursuant to the Company Law, <del>Special Regulations</del> and as required by the stock exchange on which the Company is listed.</p>	<p><b>Article 6.2</b> The Company’s share certificates shall be in registered form.</p> <p>Share certificates of the Company shall specify the following major particulars:</p> <p>(VI) Name of the Company;</p> <p>(VII) Date of incorporation of the Company;</p> <p>(VIII) Class, par value and number of shares represented by each share certificate;</p> <p>(IX) The serial number of each share certificate;</p> <p>(X) Other matters required to be specified pursuant to the Company Law and as required by the stock exchange on which the Company is listed.</p>
<p><b>Article 6.16</b> If the share certificate (the “original certificate”) held by any person who is a registered shareholder or who claims to be entitled to have his/her/its name (title) entered in the register of members is lost, such person may apply to the Company for a replacement share certificate in respect of such shares (the “Relevant Shares”).</p> <p>Application by a holder of domestic shares, who has lost his/her/its share certificate, for a replacement share certificate shall be dealt with in accordance with <del>Article 143</del> of the Company Law.</p>	<p><b>Article 6.16</b> If the share certificate (the “original certificate”) held by any person who is a registered shareholder or who claims to be entitled to have his/her/its name (title) entered in the register of members is lost, such person may apply to the Company for a replacement share certificate in respect of such shares (the “Relevant Shares”).</p> <p>Application by a holder of domestic shares, who has lost his/her/its share certificate, for a replacement share certificate shall be dealt with in accordance with <u>the relevant provisions</u> of the Company Law.</p>



**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p>Application by a holder of H Shares, who has lost his/her/its share certificate, for a replacement share certificate may be dealt with in accordance with the law of the place where the original register of members for holders of H Shares is maintained, the rules of the stock exchange or other relevant regulations. The issuance of a replacement share certificate shall comply with the following requirements:</p> <p>(I) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration, of which the contents shall include the grounds upon which the application is made and the circumstances and evidence of the loss, and the declaration showing that no other person is entitled to have his/her/its name entered in the register of members in respect of the Relevant Shares.</p> <p>(II) The Company has not received any declaration made by any person other than the applicant declaring that his/her/its name shall be entered in the register of members in respect of such shares before it decides to issue a replacement share certificate to the applicant.</p> <p>(III) The Company shall, if it intends to issue a replacement share certificate to the applicant, publish a notice of its intention to do so at least once every 30 days within a period of 90 days in such newspapers as prescribed by the Board of Directors.</p>	<p>Application by a holder of H Shares, who has lost his/her/its share certificate, for a replacement share certificate may be dealt with in accordance with the law of the place where the original register of members for holders of H Shares is maintained, the rules of the stock exchange or other relevant regulations. The issuance of a replacement share certificate shall comply with the following requirements:</p> <p>(I) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration, of which the contents shall include the grounds upon which the application is made and the circumstances and evidence of the loss, and the declaration showing that no other person is entitled to have his/her/its name entered in the register of members in respect of the Relevant Shares.</p> <p>(II) The Company has not received any declaration made by any person other than the applicant declaring that his/her/its name shall be entered in the register of members in respect of such shares before it decides to issue a replacement share certificate to the applicant.</p> <p>(III) The Company shall, if it intends to issue a replacement share certificate to the applicant, publish a notice of its intention to do so at least once every 30 days within a period of 90 days in such newspapers as prescribed by the Board of Directors.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p><del>The Company shall, prior to publication of its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed, a copy of the notice to be published and may publish the notice upon receipt of confirmation from such stock exchange that the notice has been exhibited in the premises of the stock exchange. Such notice shall be exhibited in the premises of the stock exchange for a period of 90 days.</del></p> <p><del>In the case of an application which is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a copy of the notice to be published.</del></p> <p>(IV) If, by the expiration of the 90-day period referred to in items (III) <del>and (IV)</del> of this article, the Company has not received any objection from any person in respect of the issuance of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his/her/its application.</p> <p>(V) Where the Company issues a replacement share certificate pursuant to this article, it shall forthwith cancel the original share certificate and document, and the cancellation of the original share certificate and issuance of a replacement share certificate shall be recorded in the register of members accordingly.</p> <p>(VI) All expenses relating to the cancellation of an original share certificate and issuance of a replacement share certificate shall be borne by the applicant and the Company is entitled to refuse to take any action until reasonable guarantee is provided by the applicant.</p>	<p>(IV) If, by the expiration of the 90-day period referred to in item (III) of this article, the Company has not received any objection from any person in respect of the issuance of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his/her/its application.</p> <p>(V) Where the Company issues a replacement share certificate pursuant to this article, it shall forthwith cancel the original share certificate and document, and the cancellation of the original share certificate and issuance of a replacement share certificate shall be recorded in the register of members accordingly.</p> <p>(VI) All expenses relating to the cancellation of an original share certificate and issuance of a replacement share certificate shall be borne by the applicant and the Company is entitled to refuse to take any action until reasonable guarantee is provided by the applicant.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing articles of the Articles of Association	To be amended as
<p align="center"><b>Chapter VII Rights and Duties of Shareholders</b></p>	<p align="center"><b>Chapter VII Rights and Duties of Shareholders</b></p>
<p><b>Article 7.3</b> The shareholders of ordinary shares of the Company shall enjoy the following rights:</p> <p>(I) to receive dividends and other distributions in proportion to their shareholdings;</p> <p>(II) to request, convene, preside over, attend and to vote at the general meeting in person or by proxy in accordance with the laws;</p> <p>(III) to supervise the Company’s business operations, the right to present proposals or to raise queries;</p> <p>(IV) to transfer, confer or pledge shares in accordance with laws, administrative regulations and rules as well as the Articles of Association;</p> <p><del>(V) to obtain relevant information in accordance with the Articles of Association, in which information includes:</del></p> <p><del>1. to obtain the Articles of Association, subject to payment of costs;</del></p> <p><del>2. to inspect for free and copy, subject to payment of a reasonable fee, the following:</del></p> <p><del>(1) all parts of the register of shareholders;</del></p> <p><del>(2) personal particulars of each of the directors, supervisors, general managers, deputy general managers and other senior management personnel of the Company, including:</del></p> <p><del>(A) present and former name and alias;</del></p> <p><del>(B) principal address (place of residence);</del></p> <p><del>(C) Nationality;</del></p> <p><del>(D) primary and all other part-time occupations and duties;</del></p>	<p><b>Article 7.3</b> The shareholders of ordinary shares of the Company shall enjoy the following rights:</p> <p>(I) to receive dividends and other distributions in proportion to their shareholdings;</p> <p>(II) to request, convene, preside over, attend and to vote at the general meeting in person or by proxy in accordance with the laws;</p> <p>(III) to supervise the Company’s business operations, the right to present proposals or to raise queries;</p> <p>(IV) to transfer, confer or pledge shares in accordance with laws, administrative regulations and rules as well as the Articles of Association;</p> <p>(V) <u>to inspect the Articles of Association, the register of members, stubs of corporate bonds, minutes of shareholders’ general meetings, resolutions of Board meetings, resolutions of Supervisory Committee meetings, and financial reports;</u></p> <p>(VI) in the event of the termination and liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;</p> <p>(VII) shareholders having objection to resolutions of the general meeting concerning merger or division of the Company may require the Company to buy their shares;</p> <p>(VIII) to commence legal proceedings and claim related rights concerning any act infringing upon the interests of the Company or its shareholders pursuant to Company Law or other laws and regulations;</p> <p>(IX) other rights conferred by the laws, regulations, relevant listing rules and the Articles of Association.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p><del>(E) identification documents and the numbers thereof;</del></p> <p><del>(3) status of the Company's share capital;</del></p> <p><del>(4) reports on the aggregate par value, number of shares, ceiling and bottom price of each class of shares repurchased by the Company since the previous financial year, as well as all the expenses paid by the Company therefor;</del></p> <p><del>(5) minutes of general meetings (only available to shareholders);</del></p> <p><del>(6) the latest audited financial statements of the Company, and the reports of directors, supervisors and auditors;</del></p> <p><del>(7) stubs of corp or at ebonds, resolutions of Board meetings, resolutions of Supervisory Committee meetings, and financial reports;</del></p> <p><del>(8) copy of the latest annual return filed with Chinese State Administration for Industry and Commerce or other competent authorities;</del></p> <p><del>(9) special resolutions of the Company.</del></p> <p>(VI) in the event of the termination and liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;</p> <p>(VII) shareholders having objection to resolutions of the general meeting concerning merger or division of the Company may require the Company to buy their shares;</p> <p>(VIII) to commence legal proceedings and claim related rights concerning any act infringing upon the interests of the Company or its shareholders pursuant to Company Law or other laws and regulations;</p> <p>(IX) other rights conferred by the laws, regulations, relevant listing rules and the Articles of Association.</p>	

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<b>Chapter VIII General Meeting</b>	<b>Chapter VIII General Meeting</b>
<p><b>Article 8.8</b> Annual general meetings are held once a year, and shall take place within 6 months from the end of the previous financial year.</p> <p>General meetings may be held in a physical form or in a non-physical form as permitted by law.</p> <p>The Board of Directors shall call an extraordinary general meeting within 2 months upon occurrence of any of the following:</p> <p>(I) When the number of directors is less than the quorum that specified in the Company Law, or two thirds of that specified in the Articles of Association;</p> <p>(II) When the uncovered loss of the Company reaches one third of the entire paid-up share capital of the Company;</p> <p>(III) When shareholder(s) severally or jointly holding 10% or more of the Company’s shares request to do so;</p> <p>(IV) When the Board of Directors deems necessary or the Supervisory Committee so requests;</p> <p>(V) When <del>two or more</del> independent directors <del>so</del> requests;</p> <p>(VI) Other circumstances stipulated by laws, administrative regulations, department rules or the Articles of Association.</p> <p>The number of shareholding mentioned in (III) above is calculated according to the date on which the written request is submitted by the shareholder(s).</p>	<p><b>Article 8.8</b> Annual general meetings are held once a year, and shall take place within 6 months from the end of the previous financial year.</p> <p>General meetings may be held in a physical form or in a non-physical form as permitted by law.</p> <p>The Board of Directors shall call an extraordinary general meeting within 2 months upon occurrence of any of the following:</p> <p>(I) When the number of directors is less than the quorum that specified in the Company Law, or two thirds of that specified in the Articles of Association;</p> <p>(II) When the uncovered loss of the Company reaches one third of the entire paid-up share capital of the Company;</p> <p>(III) When shareholder(s) severally or jointly holding 10% or more of the Company’s shares request to do so;</p> <p>(IV) When the Board of Directors deems necessary or the Supervisory Committee so requests;</p> <p>(V) When <u>more than half of all</u> independent directors <u>approve to do so</u>;</p> <p>(VI) Other circumstances stipulated by laws, administrative regulations, department rules or the Articles of Association.</p> <p>The number of shareholding mentioned in (III) above is calculated according to the date on which the written request is submitted by the shareholder(s).</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p><del>Article 8.15</del> Notices of general meetings shall be delivered to shareholders (with or without voting right at the general meeting) by hand or by prepaid 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.</p>	<p><b>Article 8.15</b> Notices of general meetings shall be served to shareholders (with or without voting right at the general meeting) by way of <u>announcement or other means as prescribed under Article 26.1 of the Article of Association.</u> Where a notice is served by way of <u>announcement, after the publication of such announcement, all related persons shall be deemed to have received the notice.</u></p>
<p><del>Article 8.31</del> Where <del>more than two</del> independent directors, the Supervisory Committee or shareholders severally or jointly holding 10% or more of the shares of the Company demand the convening of an extraordinary general meeting, it shall proceed as follows:</p> <p>(I) one or more counterpart requisitions stating the objectives of the meeting is submitted to the Board of Directors requiring the convening of an extraordinary general meeting. The Board of Directors shall, within ten days upon the receipt of the same give a written reply as to convene an extraordinary general meeting or not in accordance with the laws, administrative regulations and the Articles of Association.</p> <p>(II) If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice for convening of the general meeting, within five days after the Board of Directors has made the decision. No amendments to the original proposal shall be made without the prior consent of the proposer(s).</p> <p>(III) If the Board of Directors does not agree to convene the extraordinary general meeting, it shall explain in an announcement.</p>	<p><b>Article 8.31</b> Where <u>more than half of</u> independent directors, the Supervisory Committee or shareholders severally or jointly holding 10% or more of the shares of the Company demand the convening of an extraordinary general meeting, it shall proceed as follows:</p> <p>(I) one or more counterpart requisitions stating the objectives of the meeting is submitted to the Board of Directors requiring the convening of an extraordinary general meeting. The Board of Directors shall, within ten days upon the receipt of the same give a written reply as to convene an extraordinary general meeting or not in accordance with the laws, administrative regulations and the Articles of Association.</p> <p>(II) If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice for convening of the general meeting, within five days after the Board of Directors has made the decision. No amendments to the original proposal shall be made without the prior consent of the proposer(s).</p> <p>(III) If the Board of Directors does not agree to convene the extraordinary general meeting, it shall explain in an announcement.</p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p>(IV) If the Board of Directors does not agree to the proposal made by the general meeting, or fails to give a relevant notice within 10 days upon receipt of the request, it shall be deemed that the Board of Directors is unable to fulfill or fails to fulfill its responsibilities to convene the general meeting. The Supervisory Committee can hereby convene and preside the meeting by itself. The procedures of convening of the meeting should be similar to those of convening a general meeting by the Board of Directors as far as possible.</p>	<p>(IV) If the Board of Directors does not agree to the proposal made by the general meeting, or fails to give a relevant notice within 10 days upon receipt of the request, it shall be deemed that the Board of Directors is unable to fulfill or fails to fulfill its responsibilities to convene the general meeting. The Supervisory Committee can hereby convene and preside the meeting by itself. The procedures of convening of the meeting should be similar to those of convening a general meeting by the Board of Directors as far as possible.</p>
<p>(V) If the Board of Directors does not agree to the proposal made by the shareholders to convene the shareholders' extraordinary general meeting shareholders shall make a written proposal to the Supervisory Committee for convening such meeting.</p>	<p>(V) If the Board of Directors does not agree to the proposal made by the shareholders to convene the shareholders' extraordinary general meeting shareholders shall make a written proposal to the Supervisory Committee for convening such meeting.</p>
<p>(VI) If the Supervisory Committee agrees to convene the extraordinary general meeting it shall dispatch a notice of such meeting. No amendments to the original proposal shall be made without the prior consent of the proposer(s).</p>	<p>(VI) If the Supervisory Committee agrees to convene the extraordinary general meeting it shall dispatch a notice of such meeting. No amendments to the original proposal shall be made without the prior consent of the proposer(s).</p>
<p>(VII) If the Supervisory Committee fails to dispatch a notice of the general meeting within a prescribed period of time it shall be deemed that the Supervisory Committee fails to convene and preside over the general meeting. The shareholder(s) holding individually or in aggregate 10% or more of the shares of the Company for consecutive for 90 days may convene a meeting by themselves. The procedures of convening of the meeting should be similar to those of convening a general meeting by the Board of Directors as far as possible.</p>	<p>(VII) If the Supervisory Committee fails to dispatch a notice of the general meeting within a prescribed period of time it shall be deemed that the Supervisory Committee fails to convene and preside over the general meeting. The shareholder(s) holding individually or in aggregate 10% or more of the shares of the Company for consecutive for 90 days may convene a meeting by themselves. The procedures of convening of the meeting should be similar to those of convening a general meeting by the Board of Directors as far as possible.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p>(VIII) If the Supervisory Committee or the shareholders themselves convenes a meeting as provided for in the preceding paragraph they shall notify the board in writing and file with the stock exchange. The shareholding proportion of the convening shareholders prior to announcement of the resolution of the general meeting shall not be less than 10%. The Supervisory Committee or convening shareholders shall, when issuing the notice of general meeting and announcement on the resolution of the general meeting, submit relevant evidential documents to the stock exchange. The board and board secretary shall be cooperative in relation to the meeting and the Board shall provide the shareholders' register. The reasonable expenses for the meeting shall be borne by the Company and deducted from the monies payable by the Company to the defaulting directors.</p>	<p>(VIII) If the Supervisory Committee or the shareholders themselves convenes a meeting as provided for in the preceding paragraph they shall notify the board in writing and file with the stock exchange. The shareholding proportion of the convening shareholders prior to announcement of the resolution of the general meeting shall not be less than 10%. The Supervisory Committee or convening shareholders shall, when issuing the notice of general meeting and announcement on the resolution of the general meeting, submit relevant evidential documents to the stock exchange. The board and board secretary shall be cooperative in relation to the meeting and the Board shall provide the shareholders' register. The reasonable expenses for the meeting shall be borne by the Company and deducted from the monies payable by the Company to the defaulting directors.</p>
<p align="center"><b>Chapter XI Board of Directors</b></p>	<p align="center"><b>Chapter XI Board of Directors</b></p>
<p><b>Article 11.5</b> The Board of Directors shall be responsible for general meeting and shall exercise the following powers:</p> <p>(I) to be responsible for convening general meeting and reporting its work to the general meeting;</p> <p>(II) to implement resolutions approved at general meetings;</p> <p>(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;</p> <p>(IV) to formulate the Company's development strategy and medium and long-term development plan;</p> <p>(V) to formulate the Company's proposed annual financial budget and final accounts;</p>	<p><b>Article 11.5</b> The Board of Directors shall be responsible for general meeting and shall exercise the following powers:</p> <p>(I) to be responsible for convening general meeting and reporting its work to the general meeting;</p> <p>(II) to implement resolutions approved at general meetings;</p> <p>(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;</p> <p>(IV) to formulate the Company's development strategy and medium and long-term development plan;</p> <p>(V) to formulate the Company's proposed annual financial budget and final accounts;</p>



**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p><b>Existing articles of the Articles of Association</b></p>	<p><b>To be amended as</b></p>
<p>(VI) to formulate the Company’s profit distribution plan (including final dividend distribution plan) and plan for recovery of losses;</p> <p>(VII) 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;</p> <p>(VIII) to <del>formulate</del> plans for share repurchase by the Company under the circumstances stipulated in items (I) and (II) of Article 4.3, and plans for merging, separation and dissolution or transformation of the Company’s structure;</p> <p>(IX) to approve share repurchase by the Company under any of the circumstances stipulated in items (III), (V) and (VI) of Article 4.3;</p> <p>(X) to decide on other external guarantees which require the approval of the general meetings pursuant to laws, administrative regulations and the Articles of Association;</p> <p>(XI) to decide on the investment, purchase and disposal of assets, asset mortgage (write-off), entrusted financial management, connected transactions, external donation or sponsorship, etc. of the Company (including its subsidiaries) within the authority granted by general meetings;</p> <p>(XII) to decide on the establishment of the Company’s internal management structure;</p> <p>(XIII) in accordance with the chairman’s nomination, to appoint or dismiss the Company’s general manager or board secretary, and in accordance with the general manager’s nomination, to appoint or dismiss the general manager, deputy general manager, chief accountant or chief financial officer, general counsel and other senior management personnel that shall be appointed by the Company’s Board of Directors and to decide on their remuneration, rewards and punishments;</p>	<p>(VI) to formulate the Company’s profit distribution plan (including final dividend distribution plan) and plan for recovery of losses;</p> <p>(VII) 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;</p> <p>(VIII) to <u>make</u> plans for share repurchase by the Company under the circumstances stipulated in items (I) and (II) of Article 4.3, and plans for merging, separation and dissolution or transformation of the Company’s structure;</p> <p>(IX) to approve share repurchase by the Company under any of the circumstances stipulated in items (III), (V) and (VI) of Article 4.3;</p> <p>(X) to decide on other external guarantees which require the approval of the general meetings pursuant to laws, administrative regulations and the Articles of Association;</p> <p>(XI) to decide on the investment, purchase and disposal of assets, asset mortgage (write-off), entrusted financial management, connected transactions, external donation or sponsorship, etc. of the Company (including its subsidiaries) within the authority granted by general meetings;</p> <p>(XII) to decide on the establishment of the Company’s internal management structure;</p> <p>(XIII) in accordance with the chairman’s nomination, to appoint or dismiss the Company’s general manager or board secretary, and in accordance with the general manager’s nomination, to appoint or dismiss the general manager, deputy general manager, chief accountant or chief financial officer, general counsel and other senior management personnel that shall be appointed by the Company’s Board of Directors and to decide on their remuneration, rewards and punishments;</p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p>(XIV) to formulate the Company’s basic management systems;</p> <p>(XV) to formulate and implement share incentive scheme (including share option plan permitted by laws and regulations);</p> <p>(XVI) to formulate proposals for the amendments of the Company’s Articles of Association;</p> <p>(XVII) to manage the information disclosure of the company;</p> <p>(XVIII) to propose to the general meeting the appointment or replacement of the accounting firm for the Company’s audit;</p> <p>(XIX) to consider changes in accounting policies or accounting estimates other than those required to be considered and approved by the general meeting;</p> <p>(XX) to hear the work report from the general manager of the Company;</p> <p>(XXI) subject to in compliance with the relevant laws of China, to decide upon the Company’s wage standard and welfare and incentive policy;</p> <p>(XXII) 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;</p> <p>(XXIII) to formulate the Company’s plans for major acquisition or disposal;</p> <p>(XXIV) 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;</p>	<p>(XIV) to formulate the Company’s basic management systems;</p> <p>(XV) to formulate and implement share incentive scheme (including share option plan permitted by laws and regulations);</p> <p>(XVI) to formulate proposals for the amendments of the Company’s Articles of Association;</p> <p>(XVII) to manage the information disclosure of the company;</p> <p>(XVIII) to propose to the general meeting the appointment or replacement of the accounting firm for the Company’s audit;</p> <p>(XIX) to consider changes in accounting policies or accounting estimates other than those required to be considered and approved by the general meeting;</p> <p>(XX) to hear the work report from the general manager of the Company;</p> <p>(XXI) subject to in compliance with the relevant laws of China, to decide upon the Company’s wage standard and welfare and incentive policy;</p> <p>(XXII) 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;</p> <p>(XXIII) to formulate the Company’s plans for major acquisition or disposal;</p> <p>(XXIV) 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;</p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p style="text-align: center;"><b>Existing articles of the Articles of Association</b></p>	<p style="text-align: center;"><b>To be amended as</b></p>
<p>(XXV) to decide on matters relating to annual unplanned expenses of the company;</p> <p>(XXVI) to formulate plans for the merger, division, dissolution or change of corporate form of the Company’s subsidiaries and substantial investees;</p> <p>(XXVII) to formulate annual fixed assets investment and disposal plans, annual equity investment and disposal plans of the Company (including controlling and substantial investees);</p> <p>(XXVIII) to decide on large-scale capital financing projects of the Company (including controlling or substantial investees) within the scope authorized by the general meeting;</p> <p>(XXIX) to <del>decide on</del> the Company’s risk management system and monitor its implementation;</p> <p>(XXX) to perform other functions as delegated by the general meeting and the Article of Association of the Company.</p> <p>Except for resolutions of the Board of Directors in respect of matters specified in items (VII), (VIII), (XVI) of this article which shall be passed by more than two-thirds of all the directors and in item (X) of this article which shall be passed by more than two-thirds of the directors present at the Board meetings, resolutions of the Board of Directors in respect of all other matters may be passed by a majority of directors. Where laws, administrative regulations, departmental rules, normative documents and the Articles of Association provide otherwise, such provisions shall prevail.</p> <p>The Board of Directors shall seek opinions from the Party Committee of the Company before making decisions on major issues of the Company.</p>	<p>(XXV) to decide on matters relating to annual unplanned expenses of the company;</p> <p>(XXVI) to formulate plans for the merger, division, dissolution or change of corporate form of the Company’s subsidiaries and substantial investees;</p> <p>(XXVII) to formulate annual fixed assets investment and disposal plans, annual equity investment and disposal plans of the Company (including controlling and substantial investees);</p> <p>(XXVIII) to decide on large-scale capital financing projects of the Company (including controlling or substantial investees) within the scope authorized by the general meeting;</p> <p>(XXIX) to <u>facilitate the improvement of the Company’s risk management system, internal control system, compliance management system and accountability system for illegal operation and investment, decide on the above major matters, strengthen constraints on the Company’s assets and liabilities, effectively identify, judge, prevent and resolve major risks, and conduct overall monitoring and evaluation of relevant systems and their effective implementation;</u></p> <p>(XXX) to perform other functions as delegated by the general meeting and the Article of Association of the Company.</p> <p>Except for resolutions of the Board of Directors in respect of matters specified in items (VII), (VIII), (XVI) of this article which shall be passed by more than two-thirds of all the directors and in item (X) of this article which shall be passed by more than two-thirds of the directors present at the Board meetings, resolutions of the Board of Directors in respect of all other matters may be passed by a majority of directors. Where laws, administrative regulations, departmental rules, normative documents and the Articles of Association provide otherwise, such provisions shall prevail.</p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p><b>Existing articles of the Articles of Association</b></p>	<p><b>To be amended as</b></p>
<p>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 or who and whose close associates have no material interest in the relevant transaction. The resolution of the Board meeting shall be passed by more than half of the non-connected directors or the directors who and whose close associates have no material interest in the relevant transaction. If the number of non-connected directors or directors who and whose close associates have no material interest in the relevant transaction attending the meetings is less than 3, such resolutions shall be submitted to the general meeting for approval.</p> <p><del>The Board of Directors' resolutions in respect of connected transactions of the Company shall only come into effect upon the signing by independent directors.</del></p> <p>If the matter to be considered at the Board meeting involves any legal issue, the general counsel shall attend the meeting and provide legal advice.</p>	<p>The Board of Directors shall seek opinions from the Party Committee of the Company before making decisions on major issues of the Company.</p> <p>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 or who and whose close associates have no material interest in the relevant transaction. The resolution of the Board meeting shall be passed by more than half of the non-connected directors or the directors who and whose close associates have no material interest in the relevant transaction. If the number of non-connected directors or directors who and whose close associates have no material interest in the relevant transaction attending the meetings is less than 3, such resolutions shall be submitted to the general meeting for approval.</p> <p>If the matter to be considered at the Board meeting involves any legal issue, the general counsel shall attend the meeting and provide legal advice.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing articles of the Articles of Association	To be amended as
Nil.	<p><b>This Article is added, and the original Articles 11.6 to 11.20 are renumbered accordingly</b></p> <p><u>Article 11.6</u> According to relevant laws and regulations and corporate governance needs, the Board of Directors of the Company may set up relevant special committees such as the audit committee, the investment strategy committee, nomination committee, the remuneration committee, the executive committee, and the risk and compliance management committee. The special committees shall be accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and as authorized by the Board of Directors. All members of the special committees are directors, and the majority of members of the audit committee, the nomination committee and the remuneration committee are independent directors, who shall serve as the conveners. The convener of the audit committee shall be an accounting professional. The Board of Directors is responsible for formulating the terms of reference of the special committees and standardizing their operations.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<p><b>Article 11.11</b> The Board of Directors shall hold at least four regular meetings every year, which shall be convened by the chairman and the notice of meeting shall be given to all directors 10 working days prior to the convening of the meeting.</p> <p>The chairman of the Board shall convene an extraordinary meeting within 10 days upon occurrence of any of the following events:</p> <p>(I) proposed by shareholders representing more than 10% of the voting rights;</p> <p>(II) deemed necessary by the chairman of the Board;</p> <p>(III) jointly proposed by more than one-third of the directors;</p> <p>(IV) jointly proposed by <del>more than half</del> of the independent directors;</p> <p>(V) proposed by the Supervisory Committee;</p> <p>(VI) proposed by the general manager;</p> <p>(VII) required by the securities regulatory authorities;</p> <p>(VIII) other cases as provided in the Articles of Association.</p> <p>If the Company convenes an extraordinary Board meeting, the chairman or the secretary to the Board shall notify all the directors and supervisors within a reasonable period of time before the meeting.</p> <p>Board meetings shall in principle be convened at the domicile or listing place of the Company.</p> <p>Board meetings shall be conducted in Chinese and interpreters shall be available for Chinese-English simultaneous interpretation if necessary.</p>	<p><b>Article 11.12</b> The Board of Directors shall hold at least four regular meetings every year, which shall be convened by the chairman and the notice of meeting shall be given to all directors 10 working days prior to the convening of the meeting.</p> <p>The chairman of the Board shall convene an extraordinary meeting within 10 days upon occurrence of any of the following events:</p> <p>(I) proposed by shareholders representing more than 10% of the voting rights;</p> <p>(II) deemed necessary by the chairman of the Board;</p> <p>(III) jointly proposed by more than one-third of the directors;</p> <p>(IV) jointly proposed by <u>a majority of</u> the independent directors;</p> <p>(V) proposed by the Supervisory Committee;</p> <p>(VI) proposed by the general manager;</p> <p>(VII) required by the securities regulatory authorities;</p> <p>(VIII) other cases as provided in the Articles of Association.</p> <p>If the Company convenes an extraordinary Board meeting, the chairman or the secretary to the Board shall notify all the directors and supervisors within a reasonable period of time before the meeting.</p> <p>Board meetings shall in principle be convened at the domicile or listing place of the Company.</p> <p>Board meetings shall be conducted in Chinese and interpreters shall be available for Chinese-English simultaneous interpretation if necessary.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<p><b>Article 11.13</b> In respect of any important matter to be decided by the Board, a notice and adequate information shall be sent to all the directors before the deadline specified in Article <del>11.11</del>, in strict accordance with the specified procedure. Directors may require to be provided supplementary information. Where <del>more than one-fourth directors or more than 2 independent directors</del> deem <del>the documents as inadequate or the certification as unclear</del>, they may jointly propose to adjourn the Board meeting or suspend discussing <del>some</del> topics, and the Board shall adopt such a proposal.</p> <p>Where a director, who is present at the meeting, has not raised any objection that he/she has not been notified of the meeting before or at the meeting, such director shall be deemed to have no objection to the information regarding such meeting.</p>	<p><b>Article 11.14</b> In respect of any important matter to be decided by the Board, a notice and adequate information shall be sent to all the directors before the deadline specified in Article <u>11.12</u>, in strict accordance with the specified procedure. Directors may require to be provided supplementary information. Where <u>2 or more independent directors</u> deem <u>the meeting materials incomplete</u>, and the <u>proof inadequate or not provided timely</u>, they may jointly propose to adjourn the Board meeting or suspend discussing <u>relevant</u> topics, and the Board shall adopt such a proposal.</p> <p>Where a director, who is present at the meeting, has not raised any objection that he/she has not been notified of the meeting before or at the meeting, such director shall be deemed to have no objection to the information regarding such meeting.</p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p><b>Article 11.15</b> Directors shall attend the Board meeting in person. Where a director is unable to attend the meeting in person due to some reasons, he/she may authorize in writing another director to attend the meeting on his/her behalf and the letter of proxy shall specify the scope of authorization.</p> <p>The director attending the meeting for another director shall exercise the rights of the latter director within the scope of authorization. Any director who is unable to attend a particular Board meeting and has not authorized a proxy to attend on his behalf shall be deemed as waiving the right to vote at that meeting.</p> <p>If any director fails to attend Board meetings in person or by proxy for two consecutive times <del>or any independent director fails to attend Board meetings in person for three consecutive times</del>, the said director <del>or independent director</del> shall be deemed incapable of performing his or her duties, and the Board shall suggest that the general meeting remove the said director.</p> <p>The expenses incurred by the directors for attending Board meetings shall be borne by the Company. These expenses shall include the costs of transportation between the premises of the director and the venue of the meeting in different cities and accommodation expenses during the meeting. Out-of-pocket expenses such as rent of the meeting place and local transportation costs shall be paid by the Company.</p>	<p><b>Article 11.16</b> Directors shall attend the Board meeting in person. Where a director is unable to attend the meeting in person due to some reasons, he/she may authorize in writing another director to attend the meeting on his/her behalf and the letter of proxy shall specify the scope of authorization.</p> <p>The director attending the meeting for another director shall exercise the rights of the latter director within the scope of authorization. Any director who is unable to attend a particular Board meeting and has not authorized a proxy to attend on his behalf shall be deemed as waiving the right to vote at that meeting.</p> <p>If any director fails to attend Board meetings in person or by proxy for two consecutive times, the said director shall be deemed incapable of performing his or her duties, and the Board shall suggest that the general meeting remove the said director.</p> <p>The expenses incurred by the directors for attending Board meetings shall be borne by the Company. These expenses shall include the costs of transportation between the premises of the director and the venue of the meeting in different cities and accommodation expenses during the meeting. Out-of-pocket expenses such as rent of the meeting place and local transportation costs shall be paid by the Company.</p>
<p><b>Article 11.20</b> A director may resign before his term of office expires. In resigning his duties, a director shall tender a resignation to the Board in writing and an independent director, in particular shall specify any matter which is related to his resignation or which he considers necessary to bring to the attention of the Company's shareholders and creditors, and the disclosure of which will be made by the Board in two days.</p>	<p><b>Article 11.21</b> A director may resign before his term of office expires. In resigning his duties, a director shall tender a resignation to the Board in writing and an independent director, in particular shall specify any matter which is related to his resignation or which he considers necessary to bring to the attention of the Company's shareholders and creditors, and the disclosure of which will be made by the Board in two days.</p>



**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p style="text-align: center;"><b>Existing articles of the Articles of Association</b></p>	<p style="text-align: center;"><b>To be amended as</b></p>
<p>If the number of members of the Board falls below the quorum as a result of any resignation, such resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding director. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy caused by the said resignation. Before a resolution is made at a general meeting in relation to the election of directors, the functions and powers of such resigning director and other remaining directors shall be subject to reasonable restrictions.</p> <p>If the proportion of independent directors of the Board falls below the minimum requirement of the relevant regulatory authority as a result of the resignation of any independent director, such resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding independent director.</p> <p>Save as provided in the preceding paragraph, a director’s resignation shall become effective when his or her resignation is served to the Board.</p> <p>When a director’s resignation comes into effect or his/her term of service expires, the director shall complete all transfer procedures with the Board of Directors. His/her fiduciary duties towards the Company and the shareholders do not necessarily cease. The obligations of confidentiality in respect of trade secrets of the Company survive after the expiry of his/her term of office until such trade secrets become publicly known. Other fiduciary duties shall remain effective within one year after the resignation takes effect or the expiry of the term of office.</p>	<p>If the number of members of the Board falls below the quorum as a result of any resignation, such resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding director. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy caused by the said resignation. Before a resolution is made at a general meeting in relation to the election of directors, the functions and powers of such resigning director and other remaining directors shall be subject to reasonable restrictions.</p> <p>If the proportion of independent directors of the Board <u>or its special committees</u> falls below the minimum requirement of the relevant regulatory authority <u>or there is a lack of an accounting professional among independent directors</u> as a result of the resignation of any independent director, such resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding independent director. <u>The Company shall complete the by-election of an independent director within sixty days from the date of his/her resignation.</u></p> <p>Save as provided in the preceding paragraph, a director’s resignation shall become effective when his or her resignation is served to the Board.</p> <p>When a director’s resignation comes into effect or his/her term of service expires, the director shall complete all transfer procedures with the Board of Directors. His/her fiduciary duties towards the Company and the shareholders do not necessarily cease. The obligations of confidentiality in respect of trade secrets of the Company survive after the expiry of his/her term of office until such trade secrets become publicly known. Other fiduciary duties shall remain effective within one year after the resignation takes effect or the expiry of the term of office.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<b>Chapter XII Independent Directors</b>	<b>Chapter XII Independent Directors</b>
<p><b>Article 12.1</b> Independent director candidates shall be nominated by the Board, the Supervisory Committee, or shareholder(s) severally or jointly holding more than 1% <del>of the total number of the voting shares</del> of the Company, and shall be elected at a general meeting of the Company.</p> <p>(I) The nominator of an independent director candidate shall seek the consent of the nominee before nomination, shall collect adequate information about the occupation, academic qualification, title, detailed work experience, all concurrent undertakings, etc., and shall submit the said information in writing to the Company;</p> <p>(II) The nominator of independent director candidates shall give an opinion on the qualification and independence of the nominee to act as an independent director, <del>covering relevant provisions in applicable laws, regulations and/or relevant listing rules</del>, and the nominee shall publicly declare <del>in accordance with such provisions that there is no relationships between him and the Company which may possibly affect his independent and objective judgment</del>;</p> <p>(III) Where an independent director candidate is nominated before the Company holds the Board meeting, if the governing laws, regulations and/or the relevant listing rules have relevant provisions, the written documents relating to the nominee as described in (I) and (II) of this Article shall be announced together with the resolution of the Board in accordance with the said provisions;</p>	<p><b>Article 12.1</b> Independent director candidates shall be nominated by the Board, the Supervisory Committee, or shareholder(s) severally or jointly holding more than 1% of the Company's <u>issued shares</u>, and shall be elected at a general meeting of the Company.</p> <p><u>An investor protection agency established by law may publicly request shareholders to entrust it to exercise the right to nominate independent directors on their behalf.</u></p> <p><u>The nominator specified in the first paragraph of this Article shall not nominate any person who has an interest in the nominator or other closely related person who may affect the independent performance of duties as a candidate for independent director.</u></p> <p>(I) The nominator of an independent director candidate shall seek the consent of the nominee before nomination, shall collect adequate information about the occupation, academic qualification, title, detailed work experience, all concurrent undertakings, <u>any major dishonest conduct and other adverse records</u>, etc., and shall submit the said information in writing to the Company;</p> <p>(II) The nominator of independent director candidates shall give an opinion on the qualification and independence of the nominee to act as an independent director, and the nominee shall publicly declare that <u>he/she meets the independence and other conditions for serving as an independent director</u>;</p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p>(IV) If shareholder(s) severally or jointly holding more than 3% of the total number of the voting shares of the Company or the Supervisory Committee submits a provisional proposal on election of independent directors, then a written notice stating the intention to nominate director candidates and the nominee’s consent to the nomination, the written documents and undertakings of the nominee as described in (I) and (II) of this Article shall be submitted to the Company 10 days before the convening of the general meeting;</p> <p>(V) The Company shall submit the relevant documents concerning the nominee to the stock exchange in which the Company’s shares are listed not later than the time of the publication of the notice of the general meeting for election of independent directors. If the Board disputes the particulars pertaining to the nominee, the written opinions of the Board shall also be submitted. If the stock exchange opposes to the nomination of a candidate, the Company shall not propose any candidate to the general meeting for election as an independent director, and shall postpone or cancel the general meeting or cancel the relevant proposal of the general meeting in accordance with the Rules Governing General Meetings of Listed Companies issued by the CSRC. When a general meeting is convened to elect independent directors, the Board shall make a statement on whether there was any objection to the nominations from the stock exchange.</p>	<p>(III) Where an independent director candidate is nominated before the Company holds the Board meeting, if the governing laws, regulations and/or the relevant listing rules have relevant provisions, the written documents relating to the nominee as described in (I) and (II) of this Article shall be announced together with the resolution of the Board in accordance with the said provisions;</p> <p>(IV) If shareholder(s) severally or jointly holding more than 3% of the total number of the voting shares of the Company or the Supervisory Committee submits a provisional proposal on election of independent directors, then a written notice stating the intention to nominate director candidates and the nominee’s consent to the nomination, the written documents and undertakings of the nominee as described in (I) and (II) of this Article shall be submitted to the Company 10 days before the convening of the general meeting;</p> <p>(V) The Company shall submit the relevant documents concerning the nominee to the stock exchange in which the Company’s shares are listed not later than the time of the publication of the notice of the general meeting for election of independent directors. If the Board disputes the particulars pertaining to the nominee, the written opinions of the Board shall also be submitted. If the stock exchange opposes to the nomination of a candidate, the Company shall not propose any candidate to the general meeting for election as an independent director, and shall postpone or cancel the general meeting or cancel the relevant proposal of the general meeting in accordance with the Rules Governing General Meetings of Listed Companies issued by the CSRC. When a general meeting is convened to elect independent directors, the Board shall make a statement on whether there was any objection to the nominations from the stock exchange.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<p><b>Article 12.2</b> An independent director shall meet the following basic conditions:</p> <p>(I) having the qualifications as director of the Company in accordance with the laws, administrative regulations and other relevant provisions;</p> <p>(II) having the independence as required by the laws, administrative regulations, department rules and the relevant listing rules;</p> <p>(III) having basic knowledge about operations of listed companies, and proficient in relevant laws, administrative regulations and rules (including but not limited to applicable accounting standards);</p> <p>(IV) having more than five years' experience in legal and economic, accounting, finance and management work or other work required for fulfilling the duties of independent directors;</p> <p>(V) other conditions specified in the Articles of Association.</p>	<p><b>Article 12.2</b> An independent director shall meet the following basic conditions:</p> <p>(I) having the qualifications as director of the Company in accordance with the laws, administrative regulations and other relevant provisions;</p> <p>(II) having the independence as required by the laws, administrative regulations, department rules and the relevant listing rules;</p> <p>(III) having basic knowledge about operations of listed companies, and proficient in relevant laws, administrative regulations and rules (including but not limited to applicable accounting standards);</p> <p>(IV) having more than five years' experience in legal and economic, accounting, finance and management work or other work required for fulfilling the duties of independent directors;</p> <p>(V) <u>having good personal integrity and no major dishonest conduct or other adverse records;</u></p> <p>(VI) other conditions specified in <u>laws, administrative regulations, CSRC regulations, business rules of the stock exchange and the</u> Articles of Association.</p>
<p><b>Article 12.3</b> Independent directors shall have independence. The following persons shall not serve as independent directors save for otherwise specified in the governing laws, regulations and/or relevant listing rules:</p> <p>(I) persons employed by the Company or its subsidiaries <del>and their immediate family members or other relatives (immediate family members shall include spouse, parents and children, while</del> other relatives shall include siblings, <del>parents-in-law, sons/daughters-in-law,</del> spouses of siblings, siblings of spouse);</p>	<p><b>Article 12.3</b> Independent directors shall have independence. The following persons shall not serve as independent directors save for otherwise specified in the governing laws, regulations and/or relevant listing rules:</p> <p>(I) persons employed by the Company or its subsidiaries <u>and their spouses,</u> parents and children, <u>and other relatives (other relatives shall include siblings, spouses of siblings, parents of spouses, siblings of spouse, spouses of children, parents of children's spouses, etc.);</u></p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<p>(II) natural person shareholder who directly or indirectly holds more than 1% of the Company’s issued shares or who is one of the top ten shareholders of the Company, and his <del>immediate family members</del>;</p> <p>(III) entity owned by the shareholders which directly or indirectly hold more than 5% of the Company’s issued shares or the persons working in the entities owned by any top five shareholders of the Company, and their <del>immediate family members</del>;</p> <p>(IV) persons who work in the Company’s actual controllers and their affiliates;</p> <p>(V) persons who provide financial, legal and consulting services to the Company and controlling shareholders or their subsidiaries, including all staff of the project team of the intermediaries providing the services, supervisors at all levels, persons signing the report, partners and key responsible persons;</p> <p><del>(VI) persons serving as a director, supervisor or senior executive in an entity that has material business dealings with the Company and its controlling shareholders or their respective subsidiaries, or serving as a director, supervisor or senior executive in the controlling shareholder unit of the entity with business dealings;</del></p> <p>(VII) persons who have had the circumstances set out in the preceding six paragraphs within the last 12 months;</p> <p><del>(VIII) persons who could not serve as independent non-executive directors or fail to meet the requirements of the relevant listing rules as determined by the CSRC and the stock exchange.</del></p> <p>The subsidiaries of the controlling shareholders and the de facto controllers of the Company under items (4), (5) and (6) of the preceding paragraph do not include those which <del>do not</del> constitute connected relationship with the Company <del>under Rule 6.3.4 of the Listing Rules.</del></p>	<p>(II) natural person shareholder who directly or indirectly holds more than 1% of the Company’s issued shares or who is one of the top ten shareholders of the Company, and his <u>spouse, parents and children</u>;</p> <p>(III) entity owned by the shareholders which directly or indirectly hold more than 5% of the Company’s issued shares or the persons working in the entities owned by any top five shareholders of the Company, and their <u>spouses, parents and children</u>;</p> <p>(IV) persons who work in the Company’s <u>controlling shareholders and actual controllers and their affiliates and their spouses, parents and children</u>;</p> <p>(V) <u>persons who have significant business dealings with the Company, its controlling shareholders, actual controllers or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers</u>;</p> <p>(VI) persons who provide financial, legal, consulting and sponsorship and other services to the Company, <u>controlling shareholders and actual controllers</u> or their subsidiaries, including <u>but not limited to</u> all staff of the project team of the intermediaries providing the services, supervisors at all levels, persons signing the report, partners, <u>directors, senior executives</u> and key responsible persons;</p> <p>(VII) persons who have had the circumstances set out in the preceding six paragraphs within the last 12 months;</p> <p>(VIII) <u>other</u> persons who <u>do not have independence</u> as determined by <u>laws, administrative regulations, the CSRC and the stock exchange and the Articles of Association.</u></p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p><b>Existing articles of the Articles of Association</b></p>	<p><b>To be amended as</b></p>
<p>If an independent director fails to attend the Board meeting in person <del>or by proxy</del> for two consecutive times <del>or fails to attend the Board meeting in person for three consecutive times</del>, the Board shall propose to remove the said director at the general meeting. Prior to the expiration of the term of office of an independent non-executive director, the listed company may remove him/her from office by legal procedures. In the event of premature removal, the Company shall disclose it as a special issue. If the removed independent director <del>deems his removal by the Company as unjustifiable</del>, he may make an explicit declaration.</p>	<p>The subsidiaries of the controlling shareholders and the de facto controllers of the Company under items (4), (5) and (6) of the preceding paragraph do not include those which <u>are controlled by the same state-owned asset management institution as the Company and do not constitute connected relationship with the Company in accordance with the relevant regulations.</u></p> <p>If an independent director fails to attend the Board meeting in person for two consecutive times and does not <u>delegate another independent director to attend the meeting on his/her behalf</u>, <u>the Board of Directors shall, within thirty days from the date of such event, propose to convene a general meeting to remove such independent director from his/her position.</u> Prior to the expiration of the term of office of an independent non-executive director, the listed company may remove him/her from office by legal procedures. In the event of premature removal, the Company shall <u>promptly disclose the specific reasons and basis.</u> If the removed independent director <u>has objections</u>, the Company shall disclose them in a <u>timely manner.</u></p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing articles of the Articles of Association	To be amended as
<p><b>Article 12.4</b> An independent director shall have the following special powers in addition to the powers granted to directors under the Company Law, other relevant laws, administrative regulations and the Articles of Association:</p> <p><del>(I) Major connected transactions (refer to related party transactions to be entered into between the Company and related parties with a total amount of more than RMB3,000,000 or more than 5% of the latest audited net asset value of the listed company) shall be approved by the independent directors in advance; the independent directors may, before making judgment, appoint an intermediary to provide independent financial and advisory reports as a basis for their judgment;</del></p> <p><del>(II) to propose to the Board for appointment or dismissal of accounting firm;</del></p> <p>(III) to propose to convene an extraordinary general meeting;</p> <p>(IV) to propose to convene a Board meeting;</p> <p>(V) to openly collect <del>voting rights</del> from shareholders before a general meeting is held;</p> <p><del>(VI) to independently appoint external audit and consulting institutions.</del></p> <p>Independent directors shall seek the consent of <del>more than half of all the independent directors</del> before exercising the powers under (I) to (V); <del>independent directors shall seek the consent of all the independent directors before exercising the powers under (VI).</del></p> <p><del>Items (I) and (II) shall be approved by more than half of the independent non-executive directors before being submitted to the Board of Directors for discussion.</del></p>	<p><b>Article 12.4</b> An independent director shall have the following special powers in addition to the powers granted to directors under the Company Law, other relevant laws, administrative regulations and the Articles of Association:</p> <p><u>(I) to independently engage agencies to audit, consult or verify specific matters of the Company;</u></p> <p><u>(II) to propose to convene an extraordinary general meeting;</u></p> <p><u>(III) to propose to convene a Board meeting;</u></p> <p><u>(IV) to openly collect the rights of shareholders from shareholders before a general meeting is held according to law;</u></p> <p><u>(V) to express independent opinions on matters that may damage the rights and interests of the Company or minority shareholders;</u></p> <p><u>(VI) other functions and powers as prescribed by laws, administrative regulations, the CSRC and the Articles of Association.</u></p> <p><u>Independent directors shall seek the consent of more than half of all the independent directors before exercising the powers under (I) to (III). Where an independent director exercises the functions and powers listed in paragraph I under this article, the Company shall disclose them in a timely manner. Where the above powers cannot be exercised normally, the Company shall disclose the details and reasons.</u></p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<p><del>Article 12.5 Independent directors shall, in addition to fulfilling the aforesaid duties, provide the Board or general meeting with independent opinions on the following matters:</del></p> <p><del>(I) nomination, appointment and dismissal of directors;</del></p> <p><del>(II) appointment or dismissal of senior executives;</del></p> <p><del>(III) remunerations of directors and senior executives of the Company;</del></p> <p><del>(IV) appointment or dismissal of accounting firms;</del></p> <p><del>(V) changes in accounting policies, accounting estimates or correction of significant accounting errors due to reasons other than changes in accounting standards;</del></p> <p><del>(VI) non-standard unqualified audit opinions issued by the accounting firm on the financial and accounting reports and internal control of the Company;</del></p> <p><del>(VII) internal control evaluation report;</del></p> <p><del>(VIII) the plan for the change of commitments by relevant parties;</del></p> <p><del>(IX) the effects of the issuance of preference shares on the interests of various shareholders of the Company;</del></p> <p><del>(X) to formulate profit distribution policies, profit distribution plans and cash dividend plans;</del></p>	<p><u>Article 12.5 The following matters shall be submitted to the Board for deliberation with the consent of more than half of all independent directors of the Company:</u></p> <p><u>(I) connected transactions that should be disclosed;</u></p> <p><u>(II) plans for the Company and relevant parties to change or waive commitments;</u></p> <p><u>(III) decisions made and measures taken by the Board of the Company in relation to the acquisition;</u></p> <p><u>(IV) other matters specified by law, administrative regulations, the CSRC and the Articles of Association.</u></p>



**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p>(XI) <del>material matters such as connected transactions, provision of guarantees (excluding provision of guarantees for subsidiaries within the scope of the consolidated financial statements), entrusted wealth management, provision of financial assistance, use of proceeds, investment in shares and derivatives to be disclosed;</del></p> <p>(XII) <del>material asset restructuring plan, management acquisition, equity incentive plan, employee stock ownership plan, share repurchase plan, debt repayment plan for related parties of the listed company;</del></p> <p>(XIII) <del>the Company intends to decide that its shares will no longer be traded on a stock exchange;</del></p> <p>(XIV) <del>any existing or new borrowings or other fund transfers by the Company's shareholders, de facto controllers and their related enterprises with an aggregate amount of more than RMB3,000,000 or more than 5% of the Company's latest audited net assets, and whether the Company has taken effective measures to recover the debts;</del></p> <p>(XV) <del>matters which independent directors deem likely to damage the interests of minority shareholders;</del></p> <p>(XVI) <del>other issues specified in relevant laws and regulations, requirements of the stock exchange and the Articles of Association.</del></p> <p><del>Independent directors shall express one of the following opinions on the aforesaid issues: agreement; qualified opinion and reason therefor; objection and reason therefor; inability to express opinion and obstacle therefor.</del></p>	

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<b>Chapter XV Supervisory Committee</b>	<b>Chapter XV Supervisory Committee</b>
<p><b>Article 15.8</b> The Supervisory Committee is responsible for the general meeting, and performs the following functions in accordance with the law:</p> <p>(I) Inspect the financial issues of the Company;</p> <p>(II) Examine the periodical reports of the Company prepared by the Board and issue written opinions thereon;</p> <p>(III) Supervise over the actions taken by the directors, general manager, deputy general managers and other senior executives of the Company in violation of the laws, regulations or the Articles of Association when performing their duties; propose dismissal of directors, general manager, deputy general managers and other senior executives who are in breach of the laws, administrative rules, the Articles of Association or the resolutions of general meetings;</p> <p>(IV) When the actions taken by the directors, general manager, deputy general managers and other senior executives of the Company impair the interests of the Company, require the above mentioned persons to take corrective actions;</p> <p>(V) Review such financial documents as financial reports, operation reports and profit distribution schemes to be submitted by the Board to the general meeting. In the event of any doubts, it may in the name of the Company appoint a certified public accountant or practising auditors to help with the recheck;</p> <p>(VI) Propose the convening of extraordinary general meetings and, in case that the Board fails to perform its duties to convene and preside over the general meetings in accordance with the Company Law, convene and preside over the general meetings;</p> <p>(VII) Deal with or sue against directors and senior executives on behalf of the Company;</p>	<p><b>Article 15.8</b> The Supervisory Committee is responsible for the general meeting, and performs the following functions in accordance with the law:</p> <p>(I) Inspect the financial issues of the Company;</p> <p>(II) Examine the periodical reports of the Company prepared by the Board and issue written opinions thereon;</p> <p>(III) Supervise over the actions taken by the directors, general manager, deputy general managers and other senior executives of the Company in violation of the laws, regulations or the Articles of Association when performing their duties; propose dismissal of directors, general manager, deputy general managers and other senior executives who are in breach of the laws, administrative rules, the Articles of Association or the resolutions of general meetings;</p> <p>(IV) When the actions taken by the directors, general manager, deputy general managers and other senior executives of the Company impair the interests of the Company, require the above mentioned persons to take corrective actions;</p> <p>(V) Review such financial documents as financial reports, operation reports and profit distribution schemes to be submitted by the Board to the general meeting. In the event of any doubts, it may in the name of the Company appoint a certified public accountant or practising auditors to help with the recheck;</p> <p>(VI) Propose the convening of extraordinary general meetings and, in case that the Board fails to perform its duties to convene and preside over the general meetings in accordance with the Company Law, convene and preside over the general meetings;</p> <p>(VII) Deal with or sue against directors and senior executives on behalf of the Company;</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<p>(VIII) Present proposals to the general meetings;</p> <p>(IX) Propose to convene an interim Board meeting;</p> <p>(X) Investigate any irregularities identified in the operation of the Company; if necessary, engage professional institutions such as accounting firms and law firms to assist its work at the expense of the Company;</p> <p>(XI) Other functions and powers stipulated by the relevant laws, administrative rules and the Articles of Association or granted by the general meetings.</p> <p><del>Supervisors may attend the meetings of the Board of Directors, but have no voting right.</del></p> <p>The shareholder supervisor shall independently report to the general meeting on the honesty and due diligence of the senior executives of the Company. The supervisors may attend the Board meetings and make inquiries or suggestions in relation to the resolutions of Board meetings.</p>	<p>(VIII) Present proposals to the general meetings;</p> <p>(IX) Propose to convene an interim Board meeting;</p> <p>(X) Investigate any irregularities identified in the operation of the Company; if necessary, engage professional institutions such as accounting firms and law firms to assist its work at the expense of the Company;</p> <p>(XI) Other functions and powers stipulated by the relevant laws, administrative rules and the Articles of Association or granted by the general meetings.</p> <p>The shareholder supervisor shall independently report to the general meeting on the honesty and due diligence of the senior executives of the Company.</p> <p>The supervisors may attend the Board meetings and make inquiries or suggestions in relation to the resolutions of Board meetings.</p>
<b>Chapter XVII Accounting Regulation and Profit Distribution</b>	<b>Chapter XVII Accounting Regulation and Profit Distribution</b>
<p><b>Article 17.4</b> The financial report of the Company shall be placed at the Company for the shareholders to consult, 20 days before the convening of the annual meeting of shareholders. Each shareholder of the Company is entitled to obtain the financial report as stated in this chapter.</p> <p><del>The Company shall send to each holders of H Shares the photocopies of the financial report, together with the balance sheet (including such documents as shall be attached in accordance with Chinese laws and regulations) and profit and loss statement or income and expenditure statement (including the aforesaid report) via postage paid mail. The financial report shall be delivered in person or mailed to each shareholder at latest 21 days before the annual meeting of shareholders at the addresses as recorded in the register of shareholders.</del></p>	<p><b>Article 17.4</b> The financial report of the Company shall be placed at the Company for the shareholders to consult, 20 days before the convening of the annual meeting of shareholders. Each shareholder of the Company is entitled to obtain the financial report as stated in this chapter.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p><b>Article 17.11</b> The common reserve funds (including statutory common reserve fund, discretionary common reserve fund and capital reserve) of the Company shall be used to make up for the losses, enhance the operating scale or increase the capital of the Company. However, the capital reserve shall not be used to make up for the losses of the Company. If the Company converts the common reserve funds into the capital by a resolution of the general meeting, the Company shall distribute new shares as per the existing equity structure or increase the par value per share. However, when statutory common reserve fund is converted into capital, the amount of the said fund left shall not be less than 25% of the registered capital of the Company before capital increase.</p> <p>After the profit distribution plan is adopted at the general meeting, the Board shall finish distributing dividends (or shares) within two months <del>after conclusion of the general meeting.</del></p>	<p><b>Article 17.11</b> The common reserve funds (including statutory common reserve fund, discretionary common reserve fund and capital reserve) of the Company shall be used to make up for the losses, enhance the operating scale or increase the capital of the Company. However, the capital reserve shall not be used to make up for the losses of the Company. If the Company converts the common reserve funds into the capital by a resolution of the general meeting, the Company shall distribute new shares as per the existing equity structure or increase the par value per share. However, when statutory common reserve fund is converted into capital, the amount of the said fund left shall not be less than 25% of the registered capital of the Company before capital increase.</p> <p>After the profit distribution plan is adopted at the general meeting <u>or after the Board has formulated a specific plan according to the interim dividend distribution conditions for the next year as reviewed and approved at the annual general meeting,</u> the Board shall finish distributing dividends (or shares) within two months.</p>
<p><b>Article 17.14</b> The profit distribution policy of the Company is specified as follows:</p> <p>(I) Profit shall be distributed in the following manner:</p> <p>The Company may distribute dividends in cash, in shares, in a combination of both cash and shares or otherwise as permitted by laws and regulations. The Company shall give priority to dividend distribution in cash. <del>Subject to the adherence of the profit distribution principles and conditions, the Company shall in principle distribute profit each year. The Board of the Company may propose interim profit distribution with reference to the Company's profitability and capital requirements.</del></p>	<p><b>Article 17.14</b> The profit distribution policy of the Company is specified as follows:</p> <p>(I) Profit shall be distributed in the following manner:</p> <p>The Company may distribute dividends in cash, in shares, in a combination of both cash and shares or otherwise as permitted by laws and regulations. The Company shall give priority to dividend distribution in cash.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<p>(II) Specific circumstances and proportions of cash dividend of the Company are as follows:</p> <p>The following conditions shall be met in distributing cash dividends by the Company:</p> <ol style="list-style-type: none"> <li>1. If the Company makes profit and the distributable profit realized in the year concerned (i.e. after-tax profits of the Company net of loss recovery and allocation of its profits to the statutory reserve) are positive (according to the financial statements of the parent company) with adequate liquidity, the Company may distribute dividend in cash provided that it shall not undermine the subsequent ongoing operation of the Company.</li> <li>2. External auditors had issued a standard unqualified audit report for the financial statements of the Company for that year.</li> <li>3. The capital needs for the Company's normal operation are satisfied and there is no such event as significant cash expenditure, excluding projects funded by raised proceeds.</li> </ol> <p>Such significant cash expenditure refers to the proposed external investment, asset acquisition, repayment of net debts or acquisition of equipment by the Company with accumulated expenditure within the following 12 months amounting to or exceeding 30% of the latest audited net assets of the Company.</p>	<p><u>(II) Time intervals between profit distributions:</u></p> <p><u>Subject to the adherence of the profit distribution principles and conditions, the Company shall in principle distribute profit each year. The Board may conditionally propose to the Company for interim cash distribution based on the Company's profitability and capital requirements. When the Company holds an annual general meeting to review the annual profit distribution plan, it may consider and approve the conditions, proportion cap and amount cap of cash dividends for the interim period of the next year. The dividend cap for the interim period of the next year shall not exceed the net profit attributable to shareholders of the Company for the corresponding period. The Board shall formulate a specific interim dividend distribution plan in accordance with the resolutions of the general meeting and subject to the conditions of profit distribution.</u></p> <p><u>(III) Specific circumstances and proportions of cash dividend of the Company are as follows:</u></p> <p>The following conditions shall be met in distributing <u>annual</u> cash dividends by the Company:</p> <ol style="list-style-type: none"> <li>1. If the Company makes profit and the distributable profit realized in the year concerned (i.e. after-tax profits of the Company net of loss recovery and allocation of its profits to the statutory reserve) are positive (according to the financial statements of the parent company) with adequate liquidity, the Company may distribute dividend in cash provided that it shall not undermine the subsequent ongoing operation of the Company.</li> <li>2. External auditors had issued a standard unqualified audit report for the financial statements of the Company for that year.</li> <li>3. The capital needs for the Company's normal operation are satisfied and there is no such event as significant cash expenditure, excluding projects funded by raised proceeds.</li> </ol>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing articles of the Articles of Association	To be amended as
<p>The Company shall comply with the <del>proportions set out as follows</del> when proceeding with distributing cash dividends as follows:</p> <p>Pursuant to the provisions of the Company Law of the People’s Republic of China and relevant laws and regulations, as well as the Articles of Association, provided that the conditions for cash dividend distribution are satisfied and are in consistent with the normal operation and sustainable development of the Company, dividends distributed in the form of cash to be made for <del>each of the coming three years</del> shall not be less than 10% of the distributable profit realized for that year, on condition that no imminent cash outlays are expected. Also, the accumulated cash distribution of profit for the three years shall not be less than 30% of the average annual distributable profit of the Company for the same period. The specific distribution proportion for each year shall be determined by the Board of the Company based on the Company’s operating conditions and relevant rules of the CSRC and submitted to the general meeting for consideration and approval.</p> <p>The Board of the Company shall take various factors into consideration, including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangements, and differentiate the following circumstances to propose a differentiated policy for cash dividend distribution pursuant to the procedures stipulated in the Articles of Association:</p> <ol style="list-style-type: none"> <li>1. Where the Company is in a developed stage with no substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution;</li> <li>2. Where the Company is in a developed stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution;</li> </ol>	<p>Such significant cash expenditure refers to the proposed external investment, asset acquisition, repayment of net debts or acquisition of equipment by the Company with accumulated expenditure within the following 12 months amounting to or exceeding 30% of the latest audited net assets of the Company.</p> <p>The Company shall comply with the <u>policies</u> when proceeding with distributing cash dividends as follows:</p> <p>Pursuant to the provisions of the Company Law of the People’s Republic of China and relevant laws and regulations, as well as the Articles of Association, provided that the conditions for cash dividend distribution are satisfied and are in consistent with the normal operation and sustainable development of the Company, dividends distributed in the form of cash to be made for <u>three consecutive years</u> shall not be less than 10% of the distributable profit realized for that year, on condition that no imminent cash outlays are expected. Also, the accumulated cash distribution of profit for the three years shall not be less than 30% of the average annual distributable profit of the Company for the same period. The specific distribution proportion for each year shall be determined by the Board of the Company based on the Company’s operating conditions and relevant rules of the CSRC and submitted to the general meeting for consideration and approval.</p> <p>The Board of the Company shall take various factors into consideration, including its industry features, development stages, business model and profitability, <u>debt repayment ability</u> as well as whether it has any substantial capital expenditure arrangements <u>and investor returns</u>, and differentiate the following circumstances to propose a differentiated policy for cash dividend distribution pursuant to the procedures stipulated in the Articles of Association:</p> <ol style="list-style-type: none"> <li>1. Where the Company is in a developed stage with no substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution;</li> </ol>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p>3. Where the Company is in a developing stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution.</p> <p>In the case that it is difficult to distinguish the Company's stage of development but the Company has significant capital expenditure arrangements, the profit distribution may be dealt with pursuant to the <del>preceeding</del> provisions.</p> <p>(III) Conditions for distributing dividends in shares by the Company are as follows:</p> <p>Where the Company's business is in a sound condition, and the Board considers that the share price of the Company does not reflect its share capital size and distributing dividend in the form of shares is in the entire interest of all the shareholders of the Company, the Company may adopt dividend distribution in the form of shares provided that the above conditions for cash dividend are fully satisfied. Should the Company distribute dividends in shares, it should be made on the premise of maintaining reasonable cash dividend returns and appropriate capital size and take into account the growth of the Company and dilution in net assets per share.</p>	<p>2. Where the Company is in a developed stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution;</p> <p>3. Where the Company is in a developing stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution.</p> <p>In the case that it is difficult to distinguish the Company's stage of development but the Company has significant capital expenditure arrangements, the profit distribution may be dealt with pursuant to the provisions <u>under Item 3 of the paragraph above</u>.</p> <p>(IV) Conditions for distributing dividends in shares by the Company are as follows:</p> <p>Where the Company's business is in a sound condition, and the Board considers that the share price of the Company does not reflect its share capital size and distributing dividend in the form of shares is in the entire interest of all the shareholders of the Company, the Company may adopt dividend distribution in the form of shares provided that the above conditions for cash dividend are fully satisfied. Should the Company distribute dividends in shares, it should be made on the premise of maintaining reasonable cash dividend returns and appropriate capital size and take into account the growth of the Company and dilution in net assets per share.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<p><b>Article 17.15</b> Procedures for reviewing the profit distribution plan of the Company and related information disclosure are as follows:</p> <p>(I) Procedures for consideration of the profit distribution plan of the Company:</p> <p>1. The Company’s profit distribution plan shall be drafted by the management of the Company with reference to investors’ opinions, and shall then be submitted to the Board and the supervisory committee of the Company for consideration <del>and independent directors shall express their opinions</del>. The Board shall thoroughly discuss the profit distribution plan, keep detailed records of the contents of the recommendations of the management, key points of the speeches of the Directors present at the meeting, voting results of the Board, etc. and prepare written minutes to be properly kept as the Company’s records. <del>The Board shall thoroughly discuss the rationality of the profit distribution plan and</del> prepare a specific resolution and submit it to the general meeting for consideration.</p> <p>2. If the Board receives a distribution plan from other shareholders that satisfies relevant conditions, the Board shall ask the relevant shareholders for the specific reasons and background of such plan, and publish an announcement setting out the contents and reasons of the plan in accordance with the “Rules of Procedures for General Meeting” of the Company and submit it to the general meeting for consideration.</p> <p>3. <del>Independent directors may solicit opinions from minority shareholders, put forth profit distribution plan and submit it directly to the Board for consideration and approval.</del></p>	<p><b>Article 17.15</b> Procedures for reviewing the profit distribution plan of the Company and related information disclosure are as follows:</p> <p>(I) Procedures for consideration of the profit distribution plan of the Company:</p> <p>1. The Company’s profit distribution plan shall be drafted by the management of the Company with reference to investors’ opinions, and shall then be submitted to the Board and the supervisory committee of the Company for consideration. The Board shall thoroughly discuss the profit distribution plan, keep detailed records of the contents of the recommendations of the management, key points of the speeches of the Directors present at the meeting, voting results of the Board, etc. and prepare written minutes to be properly kept as the Company’s records. The Board <u>shall conduct serious research and discussion on the timing, conditions, minimum ratio, adjustment conditions, decision-making procedures and requirements and other relevant issues for distribution of cash dividends by the Company, and</u> shall prepare a specific resolution and submit it to the general meeting for consideration.</p> <p>2. <u>Independent directors shall be entitled to express independent opinions if they believe that the specific plan of cash dividends may harm the rights and interests of the Company or minority shareholders. If the Board fails to adopt or completely adopt the opinions of independent directors, it shall record the opinions of independent directors and the specific reasons for non-adoption in the resolution of the Board and disclose the same.</u></p> <p>3. If the Board receives a distribution plan from other shareholders that satisfies relevant conditions, the Board shall ask the relevant shareholders for the specific reasons and background of such plan, and publish an announcement setting out the contents and reasons of the plan in accordance with the “Rules of Procedures for General Meeting” of the Company and submit it to the general meeting for consideration.</p>



**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing articles of the Articles of Association</b></p>	<p align="center"><b>To be amended as</b></p>
<p>4. Before the cash dividend distribution plan is considered at the shareholders’ general meeting, different channels should be used to proactively communicate and interact with shareholders, in particular, the medium and small shareholders, and the Company shall fully listen to the opinions and demands of minority shareholders and timely answer the questions raised by minority shareholders.</p> <p>5. After the end of an accounting year, when the Board meeting does not propose any plan for profit distribution in cash in spite of making profit in that accounting year, it shall explain matters such as the specific reasons for not proposing any profit distribution in cash and the actual usage of the profit retained by it <del>for the independent directors to issue their opinions on such issues</del>, and then submit the same at the general meeting for approval in accordance with the relevant laws, regulations and regulatory policies.</p> <p>(II) Information disclosures regarding profit distribution plan of the Company:</p> <p>1. The Company shall disclose in details in its periodic report the formulation and implementation of the profit distribution policy, especially cash dividend policy, and state whether the policy is in compliance with the requirements of the Articles of Association or the resolutions passed at the general meeting; whether the basis and ratio of the distribution of dividends are clear; whether the relevant decision-making procedures and systems are sound; <del>whether the independent directors have duly performed their duties</del>; whether there are enough channels for medium and small shareholders to express their views and concerns, and whether their legal interests are sufficiently protected, etc.</p> <p>2. In the event of any adjustment or alteration to the cash dividend policy, the Company shall fully describe whether the conditions and procedures for such adjustment or alteration are compliant and transparent.</p>	<p>4. Before the cash dividend distribution plan is considered at the shareholders’ general meeting, different channels should be used to proactively communicate and interact with shareholders, in particular, the medium and small shareholders, and the Company shall fully listen to the opinions and demands of minority shareholders and timely answer the questions raised by minority shareholders.</p> <p>5. After the end of an accounting year, when the Board meeting does not propose any plan for profit distribution in cash in spite of making profit in that accounting year, it shall explain matters such as the specific reasons for not proposing any profit distribution in cash and the actual usage of the profit retained by it, and then submit the same at the general meeting for approval in accordance with the relevant laws, regulations and regulatory policies.</p> <p>(II) Information disclosures regarding profit distribution plan of the Company:</p> <p>1. The Company shall disclose in details in its periodic report the formulation and implementation of the profit distribution policy, especially cash dividend policy, and state whether the policy is in compliance with the requirements of the Articles of Association or the resolutions passed at the general meeting; whether the basis and ratio of the distribution of dividends are clear; whether the relevant decision-making procedures and systems are sound; whether there are enough channels for medium and small shareholders to express their views and concerns, and whether their legal interests are sufficiently protected, etc.</p> <p>2. In the event of any adjustment or alteration to the cash dividend policy, the Company shall fully describe whether the conditions and procedures for such adjustment or alteration are compliant and transparent.</p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<p><b>Existing articles of the Articles of Association</b></p>	<p><b>To be amended as</b></p>
<p>3. Where no cash dividends distribution plan are proposed by the Board of the Company for the year when profits are recorded, the Board shall explain in details the reasons for not distributing cash dividends, the exact usage of and application plan for the retained profits in the periodic report, <del>and the independent directors shall express their opinions thereon.</del></p> <p>4. Where there is a change in the control of the Company resulting from securities issuance, material asset restructuring, merger and division or acquisition, the Company shall disclose in details the cash dividend policy and relevant arrangements after the offering or issuance, restructuring or change in control, as well as the Board’s explanation of the aforesaid in the prospectus, offering proposal, report of material asset restructuring, report of changes in equity or report of acquisition.</p>	<p>3. Where no cash dividends distribution plan are proposed by the Board of the Company for the year when profits are recorded, the Board shall explain in details the reasons for not distributing cash dividends, the exact usage of and application plan for the retained profits in the periodic report.</p> <p>4. Where there is a change in the control of the Company resulting from securities issuance, material asset restructuring, merger and division or acquisition, the Company shall disclose in details the cash dividend policy and relevant arrangements after the offering or issuance, restructuring or change in control, as well as the Board’s explanation of the aforesaid in the prospectus, offering proposal, report of material asset restructuring, report of changes in equity or report of acquisition.</p>
<p><b>Article 17.6</b> Any alteration of the Company’s profit distribution policy: In case of war, natural disasters and other force majeure, or changes in the Company’s external operational environment resulting in material impact on its production and operations, or relatively significant changes in the Company’s operational position, the Company may adjust its profit distribution policy.</p> <p>The Board shall conduct specific discussion over adjustment to its profit distribution policy, provide detailed reasons for such adjustment, form a written report <del>to be considered by independent Directors</del>, and then submit the same at the general meeting for approval by way of a special resolution. In considering alterations to its profit distribution policy, the Company shall make internet voting accessible to its shareholders.</p>	<p><b>Article 17.6</b> Any alteration of the Company’s profit distribution policy: In case of war, natural disasters and other force majeure, or changes in the Company’s external operational environment resulting in material impact on its production and operations, or relatively significant changes in the Company’s operational position, the Company may adjust its profit distribution policy.</p> <p>The Board shall conduct specific discussion over adjustment to its profit distribution policy, provide detailed reasons for such adjustment, form a written report, and then submit the same at the general meeting for approval by way of a special resolution. In considering alterations to its profit distribution policy, the Company shall make internet voting accessible to its shareholders.</p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing articles of the Articles of Association	To be amended as
<p><b>Article 17.17</b> Cash dividends and other monies paid by the Company to holders of A Shares shall be paid in RMB. Cash dividends and other monies paid by the Company to holders of H Shares <del>shall be stated and announced in RMB and paid in HK\$. Foreign currency needed by the Company to pay cash dividends and other monies to holders of H Shares shall be obtained pursuant to relevant state regulations on foreign exchange.</del></p> <p>Subject to compliance with the relevant laws and regulations of the PRC and the requirements of the Hong Kong Stock Exchange, the Company may exercise the power to forfeit unclaimed dividends, but such power shall not be exercised until the expiry of the applicable limitation period.</p> <p>The Company has the right to sell the shares of shareholders whom the Company has failed to contact if the following two provisions are met:</p> <p>(1) Dividends of the related shares have been delivered 3 times within 12 years and have not been claimed; and</p> <p>(2) The Company puts advertisement) as defined in the Listing Rules) on newspapers after the 12 years has expired stating its intention to sell the shares and informs the Stock Exchange of such intention.</p>	<p><b>Article 17.17</b> Cash dividends and other monies paid by the Company to holders of A Shares shall be paid in RMB. Cash dividends and other monies paid by the Company to holders of H Shares <u>in foreign currencies or RMB in accordance with administrative regulations on foreign exchange and cross-border RMB.</u></p> <p>Subject to compliance with the relevant laws and regulations of the PRC and the requirements of the Hong Kong Stock Exchange, the Company may exercise the power to forfeit unclaimed dividends, but such power shall not be exercised until the expiry of the applicable limitation period.</p> <p>The Company has the right to sell the shares of shareholders whom the Company has failed to contact if the following two provisions are met:</p> <p>(1) Dividends of the related shares have been delivered 3 times within 12 years and have not been claimed; and</p> <p>(2) The Company puts advertisement) as defined in the Listing Rules) on newspapers after the 12 years has expired stating its intention to sell the shares and informs the Stock Exchange of such intention.</p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<p><b>Article 17.20</b> The Company shall appoint receiving agents for shareholders holding foreign capital stock. The receiving agent shall, on behalf of the related shareholders, receive dividends distributed by the Company for foreign capital stock as well as other payable sums.</p> <p>The receiving agents appointed by the Company shall meet the requirements of the laws or the securities exchange of the location of the listing.</p> <p><del>The receiving agents appointed by the Company for holders of foreign shares listed in Hong Kong shall be trust companies registered pursuant to Trustee Ordinance of Hong Kong.</del></p> <p>Provided that the relevant PRC laws and regulations are observed, the Company may exercise the right to seize dividends not collected, but the said right shall not be exercised before expiry of the applicable validity period.</p>	<p><b>Article 17.20</b> The Company shall appoint receiving agents for shareholders holding foreign capital stock. The receiving agent shall, on behalf of the related shareholders, receive dividends distributed by the Company for foreign capital stock as well as other payable sums.</p> <p>The receiving agents appointed by the Company shall meet the requirements of the laws or the securities exchange of the location of the listing.</p> <p>Provided that the relevant PRC laws and regulations are observed, the Company may exercise the right to seize dividends not collected, but the said right shall not be exercised before expiry of the applicable validity period.</p>
<b>Chapter XVIII Appointment of Accounting Firm</b>	<b>Chapter XVIII Appointment of Accounting Firm</b>
<p><b>Article 18.12</b> Within 14 days after receiving the written notification as stated in Article 18.10 of the Articles of Association, the Company shall send photocopies of such notification to the competent authority. If the notification carries such statements as mentioned in Item (2), Article 18.10 of the Articles of Association, the Company shall place the duplicate of such statements at the domicile of the Company for shareholders to consult. <del>In addition, the Company shall send the aforesaid duplicate of statement via postage paid mail to each holder of H Shares, at the addresses as recorded in the register of shareholders.</del></p>	<p><b>Article 18.12</b> Within 14 days after receiving the written notification as stated in Article 18.10 of the Articles of Association, the Company shall send photocopies of such notification to the competent authority. If the notification carries such statements as mentioned in Item (2), Article 18.10 of the Articles of Association, the Company shall place the duplicate of such statements at the domicile of the Company for shareholders to consult.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Existing articles of the Articles of Association</b>	<b>To be amended as</b>
<b>Chapter XXII Merging and Separation of The Company</b>	<b>Chapter XXII Merging and Separation of The Company</b>
<p><b>Article 22.1</b> The Company can conduct legal merger or separation.</p> <p>For the Company’s merging or separation, the Board of Directors of the Company should submit a scheme. After its adoption in the procedure specified in the Articles of Association, relevant procedures for examination and approval will be handled in accordance with the law. Shareholders against the scheme for the Company’s merging or separation are entitled to request the Company or the shareholders that agree to such scheme to purchase its stock at a fair price. Special documents shall be prepared for resolutions concerning the merger and separation and made available for shareholders. <del>Such documents shall be served on shareholders of H Shares by mail.</del></p>	<p><b>Article 22.1</b> The Company can conduct legal merger or separation.</p> <p>For the Company’s merging or separation, the Board of Directors of the Company should submit a scheme. After its adoption in the procedure specified in the Articles of Association, relevant procedures for examination and approval will be handled in accordance with the law. Shareholders against the scheme for the Company’s merging or separation are entitled to request the Company or the shareholders that agree to such scheme to purchase its stock at a fair price. Special documents shall be prepared for resolutions concerning the merger and separation and made available for shareholders.</p>
<b>Chapter XXIV Revision Procedure for The Articles of Association</b>	<b>Chapter XXIV Revision Procedure for The Articles of Association</b>
<p><b>Article 24.2</b> Following is the revision procedure for the Articles of Association:</p> <p>(I) The Board of Directors adopts a resolution on the base of the Articles of Association, suggesting that the general meeting shall revise the Articles of Association and formulate a revision scheme;</p> <p>(II) Inform the shareholders of the revision scheme, and call a general meeting to vote on it;</p> <p>(III) Without prejudice to the relevant provisions in the Articles of Association of the Company, the contents of the revision to be submitted to the general meeting for voting should be adopted through a special resolution;</p> <p>(IV) <del>Where the revision of the Articles of Association involves contents of the “Mandatory provisions”, it will become effective after approval by the company approval department authorized by the State Council and by China Securities Regulatory Committee. Where registered items of the Company are involved, the procedure for registration amendment shall be completed.</del></p>	<p><b>Article 24.2</b> Following is the revision procedure for the Articles of Association:</p> <p>(I) The Board of Directors adopts a resolution on the base of the Articles of Association, suggesting that the general meeting shall revise the Articles of Association and formulate a revision scheme;</p> <p>(II) Inform the shareholders of the revision scheme, and call a general meeting to vote on it;</p> <p>(III) Without prejudice to the relevant provisions in the Articles of Association of the Company, the contents of the revision to be submitted to the general meeting for voting should be adopted through a special resolution;</p> <p>(IV) <u>Amendments to the Articles of Association passed by resolutions at the shareholders’ general meeting, which require examination and approval by the competent authorities, shall be submitted to the competent authorities for approval.</u> Where registered items of the Company are involved, the procedure for registration amendment shall be completed.</p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing articles of the Articles of Association	To be amended as
<b>Chapter XXVI Notice</b>	<b>Chapter XXVI Notice</b>
<p><b>Article 26.2</b> 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.</p> <p><del>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.</del></p>	<p><b>Article 26.2</b> 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.</p> <p><u>Subject to the compliance with all applicable laws and regulations and the listing rules of the place(s) where the Company’s shares are listed and the Articles of Association, the Company may send, mail, dispatch, issue, publish or otherwise make available any corporate communication by sending or otherwise making available the corporate communication using electronic means, including but not limited to electronic mails, the website of the Company and the website of the stock exchange(s) of the place(s) where the Company’s shares are listed, to the shareholders of H shares.</u></p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing articles of the Articles of Association	To be amended as
<p align="center"><b>Chapter XXVII Interpretation and Definition of The Articles of Association</b></p>	<p align="center"><b>Chapter XXVII Interpretation and Definition of The Articles of Association</b></p>
<p>Article 27.4 The following words and expressions in the Articles of Association shall have the meanings given below, except for those that mean differently in accordance with the context:</p> <p>... ..</p> <p><del>“MP” or “Mandatory Provisions” refers to the “Mandatory Provisions of the Articles of Association of a Company to be Listed Overseas”.</del></p> <p><del>“APP3” refers to Appendix 3 of the regulations for securities listing on Stock Exchange.</del></p> <p><del>“A13D” refers to Part D, Appendix 13 of the regulations for securities listing on Stock Exchange.</del></p> <p><del>“Guide to Articles of Association” refers to Guide to Articles of Association of Listed Companies (amended in 2022).</del></p> <p>... ..</p> <p><del>“Rules for Independent Directors” refers to rules for Independent Directors of Listed Companies.</del></p>	<p>Article 27.4 The following words and expressions in the Articles of Association shall have the meanings given below, except for those that mean differently in accordance with the context:</p> <p>... ..</p> <p><u>“AA1” refers to Appendix A1 of the regulations for securities listing on Stock Exchange.</u></p> <p>... ..</p> <p><u>“Guide to Articles of Association” refers to Guide to Articles of Association of Listed Companies (amended in 2023).</u></p> <p>... ..</p> <p><u>“Management Measures for Independent Directors” refers to the Management Measures for Independent Directors of Listed Companies.</u></p> <p>... ..</p> <p><u>“Supervision Guidelines No. 3” refers to Guidelines for the Supervision of Listed Companies No. 3 – Cash Dividends of Listed Company (amended in 2023).</u></p>

**APPENDIX II            PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE  
OF THE SHAREHOLDERS' GENERAL MEETING**

The full text of the Proposed Amendments to the Rules of Procedure of the Shareholders' General Meeting is set out below.

**COMPARISON TABLE OF THE AMENDMENTS TO  
THE RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING  
OF COSCO SHIPPING DEVELOPMENT CO., LTD.**

<b>RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING</b>	
<b>Before amendments</b>	<b>After Amendments</b>
<b>Chapter 1 General Provisions</b>	<b>Chapter 1 General Provisions</b>
<p><b>Article 1</b> In order to protect the legitimate rights and interests of the Company, its shareholders and creditors, and to regulate the organisation and conduct of general meetings of the Company, these rules of procedure (the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China, Rules for General Meetings of Listed Companies issued by China Securities Regulatory Commission, <del>Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas</del>, Guide to Articles of Association of Listed Company, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Listing Rules of Shanghai Stock Exchange, (together the “Listing Rules”), other laws, regulations and regulatory documents, and Articles of Association of COSCO SHIPPING Development Co., Ltd. (the “Articles of Association”).</p>	<p><b>Article 1</b> In order to protect the legitimate rights and interests of the Company, its shareholders and creditors, and to regulate the organisation and conduct of general meetings of the Company, these rules of procedure (the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China, Rules for General Meetings of Listed Companies issued by China Securities Regulatory Commission, Guide to Articles of Association of Listed Company, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Listing Rules of Shanghai Stock Exchange, (together the “Listing Rules”), other laws, regulations and regulatory documents, and Articles of Association of COSCO SHIPPING Development Co., Ltd. (the “Articles of Association”).</p>



**APPENDIX II            PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE  
OF THE SHAREHOLDERS' GENERAL MEETING**

<b>RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING</b>	
<b>Before amendments</b>	<b>After Amendments</b>
<b>Chapter 2 General Provisions for the General Meetings</b>	<b>Chapter 2 General Provisions for the General Meetings</b>
<p><b>Article 5</b> General meetings are classified into annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once a year within 6 months from the end of the preceding accounting year.</p> <p>Under any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the date upon which the circumstance occurs:</p> <p>(I) if the number of directors falls short of the quorum stipulated in Company Law or is less than two thirds of the number specified in the Articles of Association;</p> <p>(II) if the unpaid losses of the Company amounts to one third of the total paid-up share capital of the Company;</p> <p>(III) if the shareholder or shareholders who, either alone or together holds or hold more than 10% of the Company's voting shares requests or request in writing to convene an extraordinary general meeting;</p> <p>(IV) if the Board deems it necessary, or the supervisory committee proposes, to convene an extraordinary general meeting;</p> <p>(V) Proposed by <del>more than two</del> independent directors; and</p> <p>(VI) Other circumstances stipulated by laws, administrative regulations, department rules or the Articles of Association.</p> <p>The amount of shareholding mentioned in (III) above is calculated as of the day when the shareholder(s) in question make(s) the request(s) in writing.</p>	<p><b>Article 5</b> General meetings are classified into annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once a year within 6 months from the end of the preceding accounting year.</p> <p>Under any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the date upon which the circumstance occurs:</p> <p>(I) if the number of directors falls short of the quorum stipulated in Company Law or is less than two thirds of the number specified in the Articles of Association;</p> <p>(II) if the unpaid losses of the Company amounts to one third of the total paid-up share capital of the Company;</p> <p>(III) if the shareholder or shareholders who, either alone or together holds or hold more than 10% of the Company's voting shares requests or request in writing to convene an extraordinary general meeting;</p> <p>(IV) if the Board deems it necessary, or the supervisory committee proposes, to convene an extraordinary general meeting;</p> <p>(V) <u>Agreed and proposed by a majority of all</u> independent directors; and</p> <p>(VI) Other circumstances stipulated by laws, administrative regulations, department rules or the Articles of Association.</p> <p>The amount of shareholding mentioned in (III) above is calculated as of the day when the shareholder(s) in question make(s) the request(s) in writing.</p>

**APPENDIX II            PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE  
OF THE SHAREHOLDERS' GENERAL MEETING**

<b>RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING</b>	
<b>Before amendments</b>	<b>After Amendments</b>
<b>Chapter 3 Procedure to Call for General Meetings</b>	<b>Chapter 3 Procedure to Call for General Meetings</b>
<p><del>Article 8 Independent non-executive directors may propose to the Board to call for an extraordinary general meeting. In relation to the proposal of the independent non-executive director to call for an extraordinary general meeting, the Board shall, within 10 days after receiving the proposal, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written response on the decision on whether to call for such an extraordinary general meeting.</del></p> <p><del>If the Board agrees to call for the extraordinary general meeting, it shall serve a notice of extraordinary general meeting within 5 days after the Board has resolved on such matters. If the Board does not agree to hold such extraordinary general meeting, it shall give the reasons and make an announcement in respect thereof.</del></p>	<p><i>Combined with the content of the original Article 10 (being Article 8 after amendments). After the deletion, the sequential numbering of articles shall be renumbered accordingly.</i></p>
<p><del>Article 9 The supervisory committee shall have the right to propose to the Board to call for an extraordinary general meeting, and shall put forward its proposal to the Board in writing. The Board shall, within 10 days after receiving the proposal, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written response on the decision on whether to call for such extraordinary general meeting.</del></p> <p><del>If the Board agrees to call for the extraordinary general meeting, it shall serve a notice of extraordinary general meeting within 5 days after the Board has resolved on such matters. The consent of the supervisory committee is required if changes are made to the original proposal set forth in the notice of extraordinary general meeting.</del></p> <p><del>If the Board does not agree to hold the extraordinary general meeting or fails to give a written response within 10 days after receiving the proposal, it shall be deemed as unable to perform or failing to perform its duty to call for the extraordinary general meeting, and the supervisory committee may call for and preside over the meeting.</del></p>	<p><i>Combined with the content of the original Article 10 (being Article 8 after amendments). After the deletion, the sequential numbering of articles shall be renumbered accordingly.</i></p>

**APPENDIX II                      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE  
OF THE SHAREHOLDERS' GENERAL MEETING**

<b>RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING</b>	
<b>Before amendments</b>	<b>After Amendments</b>
<p><b>Article 10</b> <del>Two or more</del> independent non-executive directors, supervisors, and shareholders who, either alone or together holds or hold more than 10% of the total issued share capital of the Company, may request to call for an extraordinary general meeting, and shall follow the procedure below:</p> <p>(I) sign one or several written requests in the same format to request the Board to call for an extraordinary general meeting and specify the topics for discussion at the extraordinary general meeting. The Board shall, within 10 days after receiving the proposal, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written response on the decision on whether to call for such an extraordinary general meeting;</p> <p>(II) If the Board agrees to call for the extraordinary general meeting, it shall serve a notice of extraordinary general meeting within 5 days after the Board has resolved on such matters. The consent of the proposer is required, if changes are made to the original proposal set forth in the notice of extraordinary general meeting;</p> <p>(III) If the Board does not agree to call for the extraordinary general meeting proposed by independent non-executive directors, it shall provide reasons and make an announcement in respect thereof;</p> <p>(IV) If the Board does not approve supervisory committee's proposal to call for the extraordinary general meeting or fails to give a written reply within 10 days after receiving the proposal, it shall be deemed as unable to perform or failing to perform the its duty to call for the extraordinary general meeting, and the supervisory committee may call for and preside over the meeting. The procedure to call for general meetings shall, as far as possible, extend to be the same as the procedure by which the Board calls for general meetings;</p>	<p><b>Article 10</b> <u>A majority of</u> independent non-executive directors, supervisors, and shareholders who, either alone or together holds or hold more than 10% of the total issued share capital of the Company, may request to call for an extraordinary general meeting, and shall follow the procedure below:</p> <p>(I) sign one or several written requests in the same format to request the Board to call for an extraordinary general meeting and specify the topics for discussion at the extraordinary general meeting. The Board shall, within 10 days after receiving the proposal, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written response on the decision on whether to call for such an extraordinary general meeting;</p> <p>(II) If the Board agrees to call for the extraordinary general meeting, it shall serve a notice of extraordinary general meeting within 5 days after the Board has resolved on such matters. The consent of the proposer is required, if changes are made to the original proposal set forth in the notice of extraordinary general meeting;</p> <p>(III) If the Board does not agree to call for the extraordinary general meeting proposed by independent non-executive directors, it shall provide reasons and make an announcement in respect thereof;</p> <p>(IV) If the Board does not approve supervisory committee's proposal to call for the extraordinary general meeting or fails to give a written reply within 10 days after receiving the proposal, it shall be deemed as unable to perform or failing to perform the its duty to call for the extraordinary general meeting, and the supervisory committee may call for and preside over the meeting. The procedure to call for general meetings shall, as far as possible, extend to be the same as the procedure by which the Board calls for general meetings;</p>

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<b>RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING</b>	
<b>Before amendments</b>	<b>After Amendments</b>
<p>(V) If the Board does not approve the shareholders' proposal to call for the extraordinary general meeting, the shareholders shall propose in writing to the supervisory committee to call for an extraordinary general meeting.</p> <p>If the supervisory committee agrees to call for the extraordinary general meeting, it shall serve a notice of such extraordinary general meeting within 5 days after receiving the request. The consent of the proposed shareholder(s) shall be obtained if any changes are made to the original proposal set forth in the notice of extraordinary general meeting.</p> <p>If the supervisory committee fails to serve the notice of such extraordinary general meeting within the prescribed period, it shall be deemed as failing to call for and preside over the general meeting and the shareholder(s) who, either alone or together holds or hold more than 10% of the total issued share capital of the Company for the past 90 consecutive days may call for and preside over the meeting. The procedure to call for general meetings shall, as far as possible, extent to be the same as the procedure by which the Board calls for general meetings.</p>	<p>(V) If the Board does not approve the shareholders' proposal to call for the extraordinary general meeting, the shareholders shall propose in writing to the supervisory committee to call for an extraordinary general meeting.</p> <p>If the supervisory committee agrees to call for the extraordinary general meeting, it shall serve a notice of such extraordinary general meeting within 5 days after receiving the request. The consent of the proposed shareholder(s) shall be obtained if any changes are made to the original proposal set forth in the notice of extraordinary general meeting.</p> <p>If the supervisory committee fails to serve the notice of such extraordinary general meeting within the prescribed period, it shall be deemed as failing to call for and preside over the general meeting and the shareholder(s) who, either alone or together holds or hold more than 10% of the total issued share capital of the Company for the past 90 consecutive days may call for and preside over the meeting. The procedure to call for general meetings shall, as far as possible, extent to be the same as the procedure by which the Board calls for general meetings.</p>
<b>Chapter 5 Procedure to Convene General Meetings</b>	<b>Chapter 5 Procedure to Convene General Meetings</b>
<p><del>Article 25 Any proxy attending a general meeting on behalf of a shareholder shall present his identity certificate and form of proxy signed by the principal or the principal's legal representative, which form of proxy shall specify the date of issue. The legal representative of a corporate shareholder attending the meeting shall present his own identity certificate, identity certificate as the legal representative, share certificate or other confirmation documents, enabling the Company to confirm the capacity of the corporate shareholder; the shareholder's proxy attending the meeting shall present his own identity certificate, form of proxy bearing the signature of the legal representative and the corporate seal, shareholding certificate, or other confirmation documents, enabling the Company to confirm the capacity of the shareholder's proxy.</del></p>	<p><i>Combined with the content of the original Article 28 (being Article 24 after amendments). After the deletion, the sequential numbering of articles shall be renumbered accordingly.</i></p>

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<b>RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING</b>	
<b>Before amendments</b>	<b>After Amendments</b>
<p><b>Article 27</b> The form of proxy shall be in writing, and signed by or on behalf of the agent appointed by him in writing, if the appointer is a legal person, the form of proxy shall be under seal by or on behalf of a person duly authorised.</p>	<p><i>The content remains unchanged, the place is adjusted to Article 25 after amendments.</i></p>
<b>Chapter 6 Voting and Resolutions of General Meetings</b>	<b>Chapter 6 Voting and Resolutions of General Meetings</b>
<p><del><b>Article 48</b> The Board, independent directors, shareholders with more than 1% voting shares or investor protection agencies established in accordance with laws, administrative regulations or requirements of CSRC may collect voting rights from shareholders of the Company at a general meeting. The voting rights shall be collected with nil consideration, subject to adequate disclosure of relevant information to the persons from whom the said voting rights are collected.</del></p>	<p><i>Combined with the content of the original Article 26 (being Article 23 after amendments). After the deletion, the sequential numbering of articles shall be renumbered accordingly.</i></p>
<p><del><b>Article 51</b> The Company may provide convenience for shareholders to attend general meetings by any means including the use of modern technology means such as online voting platform, provided that the general meeting shall be held legally and validly.</del></p>	<p><i>Combined with the content of Article 6. After the deletion, the sequential numbering of articles shall be renumbered accordingly.</i></p>

The full text of the Proposed Amendments to the Rules of Procedure of the Board of Directors is set out below.

**COMPARISON TABLE OF THE AMENDMENTS TO  
THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS  
OF COSCO SHIPPING DEVELOPMENT CO., LTD.**

<b>RULES OF PROCEDURE OF THE BOARD OF DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Chapter 1 General provisions</b>	<b>Chapter 1 General provisions</b>
<p><b>Article 2</b> The Board is the executive body of the Company, lawfully manages the operations of the Company as authorised by the Shareholders' general meeting and the Articles of Association, and is accountable to and report to the Shareholders' general meeting.</p> <p>The Board shall seek opinions from the Party Committee of the Company before making decisions on major issues of the Company.</p> <p>According to the provisions of the Articles of Association, the Board shall exercise the following functions and powers:</p> <p>(1) to be responsible for convening general meeting and reporting its work to the general meeting;</p> <p>(2) to implement resolutions approved at general meetings;</p> <p>(3) to decide on the Company's business operating plans other than those investment plans and investment proposals required to be approved at general meetings;</p>	<p><b>Article 2</b> The Board is the executive body of the Company, lawfully manages the operations of the Company as authorised by the Shareholders' general meeting and the Articles of Association, and is accountable to and report to the Shareholders' general meeting.</p> <p>The Board shall seek opinions from the Party Committee of the Company before making decisions on major issues of the Company.</p> <p>According to the provisions of the Articles of Association, the Board shall exercise the following functions and powers:</p> <p>(1) to be responsible for convening general meeting and reporting its work to the general meeting;</p> <p>(2) to implement resolutions approved at general meetings;</p> <p>(3) to decide on the Company's business operating plans other than those investment plans and investment proposals required to be approved at general meetings;</p>

<b>RULES OF PROCEDURE OF THE BOARD OF DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
(4) to formulate the Company's development strategies and medium and long-term development plans;	(4) to formulate the Company's development strategies and medium and long-term development plans;
(5) to formulate the Company's annual financial budget and final accounts;	(5) to formulate the Company's annual financial budget and final accounts;
(6) to formulate the Company's profit distribution plan (including annual dividend distribution plan) and plan for recovery of losses;	(6) to formulate the Company's profit distribution plan (including annual dividend distribution plan) and plan for recovery of losses;
(7) 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;	(7) 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;
(8) to formulate plans for share repurchase by the Company or merger, division, dissolution or transformation of the Company's structure in accordance with items (I) and (II) of Articles 4.3 of the Articles of Association;	(8) to <u>draw up</u> plans for share repurchase by the Company or merger, division, dissolution or transformation of the Company's structure in accordance with items (I) and (II) of Articles 4.3 of the Articles of Association;
(9) to approve the share repurchase by the Company under the circumstances stipulated in items (III), (V) and (VI) of Article 4.3 of the Articles of Association;	(9) to approve the share repurchase by the Company under the circumstances stipulated in items (III), (V) and (VI) of Article 4.3 of the Articles of Association;
(10) to decide on external guarantees other than those requiring the approval of the general meetings pursuant to laws, administrative regulations and the Articles of Association;	(10) to decide on external guarantees other than those requiring the approval of the general meetings pursuant to laws, administrative regulations and the Articles of Association;
(11) to decide on matters such as external investment, acquisition and disposal of assets, disposal of assets (write-off), pledge of assets, entrusted wealth management, connected transactions, external donation or sponsorship of the Company (including its subsidiaries) within the scope authorised by the general meetings;	(11) to decide on matters such as external investment, acquisition and disposal of assets, disposal of assets (write-off), pledge of assets, entrusted wealth management, connected transactions, external donation or sponsorship of the Company (including its subsidiaries) within the scope authorised by the general meetings;
(12) to decide on the establishment of the Company's internal management structure;	(12) to decide on the establishment of the Company's internal management structure;

<b>RULES OF PROCEDURE OF THE BOARD OF DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
(13) in accordance with the chairman's nomination, to appoint or dismiss the Company's General Manager and the Board secretary; in accordance with the General Manager's nomination, to appoint or dismiss the Deputy General Manager, chief accountant or Chief Financial Officer, general counsel and other senior management personnel that shall be appointed by the Company's Board and to decide on their remunerations, rewards and punishments;	(13) in accordance with the chairman's nomination, to appoint or dismiss the Company's General Manager and the Board secretary; in accordance with the General Manager's nomination, to appoint or dismiss the Deputy General Manager, chief accountant or Chief Financial Officer, general counsel and other senior management personnel that shall be appointed by the Company's Board and to decide on their remunerations, rewards and punishments;
(14) to formulate the Company's basic management systems;	(14) to formulate the Company's basic management systems;
(15) to formulate the Company's share incentive schemes and implement share incentive schemes (including share option plan permitted by laws and regulations);	(15) to formulate the Company's share incentive schemes and implement share incentive schemes (including share option plan permitted by laws and regulations);
(16) to formulate proposals for the amendments of the Articles of Association;	(16) to formulate proposals for the amendments of the Articles of Association;
(17) to manage matters relating to information disclosure of the Company;	(17) to manage matters relating to information disclosure of the Company;
(18) to proposed at the general meetings for appointment or replacement of an accounting firm to conduct an audit for the Company;	(18) to proposed at the general meetings for appointment or replacement of an accounting firm to conduct an audit for the Company;
(19) to consider changes in accounting policies or accounting estimates other than those required to be considered and approved by the general meeting;	(19) to consider changes in accounting policies or accounting estimates other than those required to be considered and approved by the general meeting;
(20) to listen to the work report of the General Manager of the Company;	(20) to listen to the work report of the General Manager of the Company;
(21) subject to in compliance with the relevant laws of China, to decide upon the Company's wage standard and welfare and incentive policy;	(21) subject to in compliance with the relevant laws of China, to decide upon the Company's wage standard and welfare and incentive policy;



<b>RULES OF PROCEDURE OF THE BOARD OF DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
(22) to decide on the other major business and administrative affairs of the Company other than those which shall be resolved at general meetings pursuant to the Company Law and the Articles of Association and to enter into other important agreements;	(22) to decide on the other major business and administrative affairs of the Company other than those which shall be resolved at general meetings pursuant to the Company Law and the Articles of Association and to enter into other important agreements;
(23) to formulate the Company's plans for major acquisition or disposal;	(23) to formulate the Company's plans for major acquisition or disposal;
(24) to promote corporate governance and decision-making in accordance with laws, to guide and 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 protect for the construction of legal corporate governance;	(24) to promote corporate governance and decision-making in accordance with laws, to guide and 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;
(25) to decide on matters relating to annual unplanned expenses of the Company;	(25) to decide on matters relating to annual unplanned expenses of the Company;
(26) to formulate plans for the merger, division, dissolution or change of corporate form of the Company's subsidiaries and substantial investees;	(26) to formulate plans for the merger, division, dissolution or change of corporate form of the Company's subsidiaries and substantial investees;
(27) to formulate annual fixed assets investment and disposal plans, annual equity investment and disposal plans of the Company (including controlling and substantial investees);	(27) to formulate annual fixed assets investment and disposal plans, annual equity investment and disposal plans of the Company (including controlling and substantial investees);
(28) to decide on large-scale capital financing projects of the Company (including controlling or substantial investees) within the scope authorized by the general meeting;	(28) to decide on large-scale capital financing projects of the Company (including controlling or substantial investees) within the scope authorized by the general meeting;
(29) to <del>decide on</del> the Company's risk management system and monitor its implementation;	(29) to <u>facilitate the improvement of the Company's risk management system, internal control system, compliance management system and accountability system for illegal operation and investment, decide on the above major matters, strengthen constraints on the Company's assets and liabilities, effectively identify, judge, prevent and resolve major risks, and conduct overall monitoring and evaluation of relevant systems and their effective implementation;</u>

<b>RULES OF PROCEDURE OF THE BOARD OF DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p>(30) to perform other functions as delegated by the general meeting and the Articles of Association.</p> <p>In addition to the above powers, the Board is also responsible for reviewing other matters required to be considered by the Board under relevant laws and regulations and the listing rules of the place where the Company is listed.</p>	<p>(30) to perform other functions as delegated by the general meeting and the Articles of Association.</p> <p>In addition to the above powers, the Board is also responsible for reviewing other matters required to be considered by the Board under relevant laws and regulations and the listing rules of the place where the Company is listed.</p>
<b>Chapter 2 Convening and Holding of Board Meeting</b>	<b>Chapter 2 Convening and Holding of Board Meetings</b>
<p><b>Article 7</b> Under any of the following circumstances, the Board shall hold a provisional meeting:</p> <p>(1) when proposed by shareholders representing over 10% of the voting rights;</p> <p>(2) when jointly proposed by more than one third of the directors;</p> <p>(3) when proposed by the Supervisory Committee;</p> <p>(4) when deemed necessary by the Chairman;</p> <p>(5) when jointly proposed by <del>more than half of</del> the independent non-executive directors;</p> <p>(6) when proposed by the General Manager;</p> <p>(7) when required by the securities regulatory authority; and</p> <p>(8) when in any other circumstance specified in the Articles of Association.</p>	<p><b>Article 7</b> Under any of the following circumstances, the Board shall hold a provisional meeting:</p> <p>(1) when proposed by shareholders representing over 10% of the voting rights;</p> <p>(2) when jointly proposed by more than one third of the directors;</p> <p>(3) when proposed by the Supervisory Committee;</p> <p>(4) when deemed necessary by the Chairman;</p> <p>(5) when jointly proposed by <u>a majority of</u> the independent non-executive directors;</p> <p>(6) when proposed by the General Manager;</p> <p>(7) when required by the securities regulatory authority; and</p> <p>(8) when in any other circumstance specified in the Articles of Association.</p>

<b>RULES OF PROCEDURE OF THE BOARD OF DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Chapter 3 Procedure and Resolution of the Board Meetings</b>	<b>Chapter 3 Procedure and Resolution of the Board Meetings</b>
<p><b>Article 17</b> The chairperson of the meeting shall ask the attending directors for their opinions on each of the resolutions.</p> <p>For any resolutions requiring prior acknowledgements of independent non-executive directors, the chairperson shall, before discussing the relevant proposal, appoint one independent non-executive director to read out the written acknowledgements of independent non-executive directors.</p> <p>The chairperson shall stop any director from hindering the normal progress of the meeting or disrupting the speech of other directors.</p> <p>The Board meeting shall not vote on any resolutions not included in the notice of the meeting unless with the unanimous consent of the attending directors. A proxy director shall not vote on any proposal not included in the notice of the meeting on behalf of other directors.</p>	<p><b>Article 17</b> The chairperson of the meeting shall ask the attending directors for their opinions on each of the resolutions.</p> <p>For any <u>matters</u> requiring prior <u>decisions</u> of independent non-executive directors, <u>the approval of a majority of the Company's independent non-executive directors shall be obtained before the same being submitted to the Board of Directors for consideration.</u></p> <p>The chairperson shall stop any director from hindering the normal progress of the meeting or disrupting the speech of other directors.</p> <p>The Board meeting shall not vote on any resolutions not included in the notice of the meeting unless with the unanimous consent of the attending directors. A proxy director shall not vote on any proposal not included in the notice of the meeting on behalf of other directors.</p>

<b>RULES OF PROCEDURE OF THE BOARD OF DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><b>Article 18</b> The directors shall carefully read documents relating to the meeting and shall express well-informed, independent and discreet opinions.</p> <p>The directors may, before the meeting, inquire on the information required, as part of their decision making process, from the relevant persons or institutions such as the affair administrative department of the Board, the convener of the meeting, the General Manager and other members of senior management, special committees, the accounting firm and the law firm, or may, while the meeting is underway, suggest to the chairperson that the aforesaid persons or institutions to appear at the meeting and make relevant explanations. There should be a procedure agreed by the Board to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense.</p>	<p><b>Article 18</b> The directors shall carefully read documents relating to the meeting and shall express well-informed, independent and discreet opinions.</p> <p>The directors may, before the meeting, inquire on the information required, as part of their decision making process, from the relevant persons or institutions such as the affair administrative department of the Board, the convener of the meeting, the General Manager and other members of senior management, special committees, the accounting firm and the law firm, or may, while the meeting is underway, suggest to the chairperson that the aforesaid persons or institutions to appear at the meeting and make relevant explanations. <u>The Company's independent directors may communicate with the secretary to the Board to make inquiries, request supplementary materials and provide opinions and suggestions on matters to be considered. The Board and relevant personnel shall carefully study the questions, requirements and opinions raised by the independent directors, and timely report to the independent non-executive directors on the implementation of the amendments to the proposals.</u> There should be a procedure agreed by the Board to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense.</p>

<b>RULES OF PROCEDURE OF THE BOARD OF DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><b>Article 26</b> Where <del>more than one fourth of the attending directors or more than two independent non-executive directors</del> consider that they cannot make judgments on relevant issues because <del>the relevant proposal is not clear nor specific enough or the meeting documents are inadequate, the chairperson shall require to suspend voting on the said proposal at the meeting.</del> The director proposing suspension of voting shall provide clear requirements for the conditions to be met for resubmitting the said proposal for deliberation.</p>	<p><b>Article 26</b> Where <u>two or more independent non-executive directors</u> consider that they cannot make judgments on relevant issues because <u>the meeting documents are incomplete, and the proof inadequate or not provided timely, they may jointly propose to adjourn the Board meeting or suspend discussing relevant topics.</u> The director proposing suspension of voting shall provide clear requirements for the conditions to be met for resubmitting the said proposal for deliberation.</p>
<b>Chapter 4 Special Committees under The Board</b>	<b>Chapter 4 Special Committees under The Board</b>
<p><b>Article 34</b> The Board may establish special committees under it <del>based on its needs</del>, such as Executive Committee, Investment Strategy Committee, Audit Committee, Remuneration and Appraisal Committee and Nomination Committee, Risk Control Committee, which shall be accountable to the Board. All the special committees shall only consist of directors and shall each have at least 3 members. The Audit Committee, Remuneration and Appraisal Committee and Nomination Committee shall each comprise a majority of independent non-executive directors who shall also be conveners; and the Audit Committee <del>shall at least comprise one accountant who is also an independent non-executive director.</del> The Board shall formulate rules of procedure for respective special committees.</p>	<p><b>Article 34</b> <u>According to the relevant laws and regulations and corporate governance needs,</u> the Board may establish special committees under it, such as Executive Committee, Investment Strategy Committee, Audit Committee, Remuneration Committee, Nomination Committee, Risk and Compliance Management Committee, which shall be accountable to the Board. All the special committees shall only consist of directors and shall each have at least 3 members. The Audit Committee, Remuneration Committee and Nomination Committee shall each comprise a majority of independent non-executive directors who shall also be conveners; and <u>the convener of the Audit Committee shall be an accountant.</u> The Board shall formulate rules of procedure for respective special committees.</p>

The full text of the Proposed Amendments to the Working Rules of Independent Non-executive Directors is set out below.

**COMPARISON TABLE OF THE AMENDMENTS TO THE  
WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS  
OF COSCO SHIPPING DEVELOPMENT CO., LTD.**

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Chapter 1 General Provisions</b>	<b>Chapter 1 General Provisions</b>
<p><b>Article 1</b> In order to promote the standardized operation of COSCO SHIPPING Development Co., Ltd. (hereinafter referred to as the “Company”), safeguard the overall interests of the Company, and protect the legitimate rights and interests of all shareholders, especially minority shareholders, from being prejudiced, these Rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Standards for the Governance of Listed Companies, <del>the Rules for Independent Directors of Listed Companies</del>, the securities regulatory rules of the place where the shares of the Company are listed and other laws, regulations, regulatory documents and the Articles of Association of Cosco Shipping Development Co., Ltd. (hereinafter referred to as the “Articles of Association”).</p>	<p><b>Article 1</b> In order to promote the standardized operation of COSCO SHIPPING Development Co., Ltd. (hereinafter referred to as the “Company”), safeguard the overall interests of the Company, and protect the legitimate rights and interests of all shareholders, especially minority shareholders, from being prejudiced, these Rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Standards for the Governance of Listed Companies, <u>the Management Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》)</u> (hereinafter referred to as the “<u>Management Measures for Independent Directors</u>”), the securities regulatory rules of the place where the shares of the Company are listed and other laws, regulations, regulatory documents and the Articles of Association of Cosco Shipping Development Co., Ltd. (hereinafter referred to as the “Articles of Association”).</p>
<p><b>Article 2</b> An independent non-executive director is a <del>director holding no position in the Company or its subsidiaries other than that of a director in the Company, having no relationship with the Company and its substantial shareholders that might hinder his/her independent and objective judgment.</del></p>	<p><b>Article 2</b> An independent non-executive director is a <u>director holding no position other than that of a director in the Company, having neither direct or indirect interest in the Company and its substantial shareholders, de facto controllers nor other relationship that might affect his/her independent and objective judgment.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><b>Article 3</b> An independent non-executive director has a <del>fiduciary</del> and diligent obligation toward the Company and all its shareholders. An independent non-executive director shall, pursuant to the <del>requirements</del> of the relevant laws, regulations, <del>normative documents</del> and the Articles of Association, conscientiously perform his/her duties and responsibilities, safeguard the Company's overall interests and <del>pay attention to</del> the lawful rights and interests of small and medium shareholders.</p> <p>An independent non-executive director shall perform his/her duties independently and not be affected by the Company's substantial shareholders, de facto controller and other entities or individuals <del>who have interests in the Company</del>.</p>	<p><b>Article 3</b> An independent non-executive director has a <u>faithful</u> and diligent obligation toward the Company and all its shareholders. An independent non-executive director shall, pursuant to the <u>provisions</u> of the relevant laws, <u>administrative regulations, the requirements of China Securities Regulatory Commissions (the "CSRC"), the securities regulatory rules of the place where the shares of the Company are listed</u> and the Articles of Association, conscientiously perform his/her duties and responsibilities, <u>play the role of participating in decision-making, conducting supervision, checks and balances, and providing professional advice in the Board of Directors,</u> safeguard the overall interests of the Company and <u>protect</u> the lawful rights and interests of small and medium shareholders.</p> <p>An independent non-executive director shall perform his/her duties independently and not be affected by the Company <u>and its</u> substantial shareholders, de facto controller and other entities or individuals.</p>
<p><b>Article 4</b> In principle, the independent non-executive Directors appointed by the Company can concurrently serve as independent non-executive Directors in up to <del>5</del> companies, and ensure that they have enough time and energy to effectively perform their duties.</p>	<p><b>Article 4</b> In principle, the independent non-executive Directors appointed by the Company can concurrently serve as independent non-executive Directors in up to <u>3 domestic listed</u> companies, and ensure that they have enough time and energy to effectively perform their duties.</p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><b>Article 5</b> The number of independent non-executive directors of the Company shall not be less than one-third of the total number of the board of directors, including at least one accounting professional. At least one independent non-executive director of the Company shall be ordinarily resident in Hong Kong. <del>If the number of independent non-executive directors fails to meet the above requirements, the Company shall make up for the number of independent non-executive directors as required.</del></p> <p>The candidate nominated to be an independent non-executive director as an accounting professional shall have extensive accounting expertise and experience, and shall at least fulfil one of the following conditions:</p> <p>(I) qualified as a certified public accountant;</p> <p>(II) qualified as a senior professional, associate professor or obtained doctorate degree in accounting, auditing or financial management;</p> <p>(III) qualified as a senior professional in economic management and with more than 5 years of full-time working experience in professional posts such as accounting, auditing or financial management.</p>	<p><b>Article 5</b> The number of independent non-executive directors of the Company shall not be less than one-third of the total number of the board of directors, including at least one accounting professional. At least one independent non-executive director of the Company shall be ordinarily resident in Hong Kong.</p> <p>The candidate nominated to be an independent non-executive director as an accounting professional shall have extensive accounting expertise and experience, and shall at least fulfil one of the following conditions:</p> <p>(I) qualified as a certified public accountant;</p> <p>(II) qualified as a senior professional, associate professor or obtained doctorate degree in accounting, auditing or financial management;</p> <p>(III) qualified as a senior professional in economic management and with more than 5 years of full-time working experience in professional posts such as accounting, auditing or financial management.</p>



<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><b>Article 6</b> An independent non-executive director shall submit an annual work report to the shareholders' general meeting to explain his/her duty performance.</p>	<p><b>Article 6</b> An independent non-executive director shall submit an annual work report to the <u>annual</u> general meeting to explain his/her duty performance. <u>The annual work report shall include the following:</u></p> <p><u>(I) the number of Board meetings attended, the method of attending the Board meetings, the voting at the Board meetings, and the number of general meetings attended;</u></p> <p><u>(II) the information on the participation in the work of special committees of the Board and special meetings of independent non-executive Directors;</u></p> <p><u>(III) the consideration on the matters specified in Articles 21, 35, 36, and 37 of this Rules, and the exercise of the special authorities set out in the item (I) of Article 19 of this Rules;</u></p> <p><u>(IV) the information on major matters, methods and results as communicated with the internal audit department and the accounting firm providing audit services to the Company on the financial and business conditions of the Company;</u></p> <p><u>(V) communications with minority shareholders;</u></p> <p><u>(VI) the time and description of the on-site work at the Company;</u></p> <p><u>(VII) other information in respect of the performance of duties.</u></p> <p><u>The work report of the independent non-executive Directors shall be disclosed no later than the issuance of the notice of annual general meeting by the Company.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><b>Article 7</b> The board of directors of the Company consists with remuneration, audit and nomination committees. The independent non-executive directors shall account for a majority of the members of the audit committee, nomination committee and remuneration committee and act as the conveners.</p>	<p><b>Article 7</b> The board of directors of the Company consists with remuneration, audit and nomination committees. The independent non-executive directors shall account for a majority of the members of the audit committee, nomination committee and remuneration committee and act as the conveners. <u>The members of the Audit Committee shall be directors who do not hold senior management positions in the Company. The convener of the Audit Committee shall be professional accounting personnel of independent non-executive directors.</u></p>
<b>Chapter II Independence of Independent Non-Executive Directors</b>	<b>Chapter II <u>Eligibility</u> of Independent Non-Executive Directors</b>
<del><b>Chapter III Eligibility of Independent Non-Executive Directors</b></del>	
<p><b>Article 8</b> The following persons shall not serve as independent non-executive directors of the Company:</p> <p>(I) persons employed by the Company or its subsidiaries and <del>their immediate family members</del> or other relatives (<del>immediate family members shall include spouse, parents and children, while other relatives shall include siblings, parents-in-law, sons/daughters-in-law, spouses of siblings, siblings of spouse</del>);</p> <p>(II) natural person shareholder who directly or indirectly holds more than 1% of the Company's issued shares or who is one of the top ten shareholders of the Company, and his <del>immediate family members</del>;</p> <p>(III) entity owned by the shareholders which directly or indirectly hold more than 5% of the Company's issued shares or the persons working in the entities owned by any top five shareholders of the Company, and their <del>immediate family members</del>;</p> <p>(IV) persons who work in the Company's actual controllers and their affiliates;</p>	<p><b>Article 8</b> The following persons shall not serve as independent non-executive directors of the Company:</p> <p>(I) persons employed by the Company or its subsidiaries and <u>their spouses, parents and children, and other relatives (other relatives shall include siblings, spouses of siblings, parents of spouses, siblings of spouse, spouses of children, parents of spouses of children, etc.)</u>;</p> <p>(II) natural person shareholder who directly or indirectly holds more than 1% of the Company's issued shares or who is one of the top ten shareholders of the Company, and his <u>spouse, parents and children</u>;</p> <p>(III) entity owned by the shareholders which directly or indirectly hold more than 5% of the Company's issued shares or the persons working in the entities owned by any top five shareholders of the Company, and their <u>spouses, parents and children</u>;</p> <p>(IV) persons who work in the Company's <u>controlling shareholders, actual controllers and their affiliates, their spouses, parents and children</u>;</p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p>(V) persons who provide financial, legal and consulting services to the Company and controlling shareholders or their subsidiaries, including all staff of the project team of the intermediaries providing the services, supervisors at all levels, persons signing the report, partners and key responsible persons;</p> <p>(VI) <del>persons serving as a director, supervisor or senior executive in an entity that has material business dealings with the Company and its controlling shareholders or their respective subsidiaries, or serving as a director, supervisor or senior executive in the controlling shareholder unit of the entity with business dealings;</del></p> <p>(VII) persons who have had the circumstances set out in the preceding six paragraphs within the last 12 months;</p> <p>(VIII) <del>persons who could not serve as independent non-executive directors or fail to meet the requirements of the relevant listing rules as determined by the CSRC and the stock exchange.</del></p> <p>The subsidiaries of the controlling shareholders and the de facto controllers of the Company under items (4), (5) and (6) of the preceding paragraph do not include <del>those which do not constitute connected relationship with the Company under Rule 6.3.4 of the Listing Rules;</del></p> <p>(IX) persons who do not comply with any of the provisions of Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) as amended from time to time or the requirements of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).</p>	<p>(V) persons who have significant business <u>dealings with the Company, its controlling shareholders, actual controllers or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers;</u></p> <p>(VI) persons who provide financial, legal, consulting and sponsorship and other services to the Company and <u>its</u> controlling shareholders and actual controllers or their <u>respective</u> subsidiaries, including <u>but not limited to</u> all staff of the project team of the intermediaries providing the services, supervisors at all levels, persons signing the report, partners, <u>directors, senior executives</u> and key responsible persons;</p> <p>(VII) persons who have had the circumstances set out in the preceding six paragraphs within the last 12 months;</p> <p>(VIII) <u>persons who do not possess independence as determined by laws, administrative regulations, rules of the CSRC, business rules of the stock exchange and the Articles of Association.</u></p> <p>The subsidiaries of the controlling shareholders and the de facto controllers of the Company under items (4), (5) and (6) of the preceding paragraph do not include <u>those which are controlled by the same state-owned asset management institution as the Company and do not constitute connected relationship with the Company in accordance with the relevant regulations.</u></p> <p>(IX) persons who do not comply with any of the provisions of Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) as amended from time to time or the requirements of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).</p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
	<p><u>The independent non-executive directors shall conduct a self-examination of their independence on an annual basis and submit the self-examination to the Board of Directors. The Board of Directors shall conduct an annual assessment of the independence of the incumbent independent non-executive directors and issue special opinions thereon, which shall be disclosed together with the annual report.</u></p>
<p><b>Article 9</b> Persons serving as independent non-executive directors of the Company shall <del>have the following qualifications suitable for the exercise of their powers:</del></p> <p>(I) having the qualifications as directors of the Company in accordance with the laws, regulations, <del>relevant listing rules</del> and other relevant provisions;</p> <p>(II) <del>having the independence as required by the laws, administrative regulations, department rules and the relevant listing rules;</del></p> <p>(III) having basic knowledge about operations of listed companies, and proficient in relevant laws, administrative regulations and rules (including but not limited to applicable accounting standards);</p> <p>(IV) having more than five years' experience in legal, economic, accounting, financial and management work or other work required for fulfilling the duties of independent non-executive directors;</p> <p>(V) other conditions specified in the Articles of Association.</p>	<p><b>Article 9</b> Persons serving as independent non-executive directors of the Company shall <u>meet the following qualifications:</u></p> <p>(I) having the qualifications as directors of the Company in accordance with the laws, <u>administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed</u> and other relevant provisions;</p> <p>(II) <u>possessing the independence required by Article 8 of these Rules;</u></p> <p>(III) having basic knowledge about operations of listed companies, and proficient in relevant laws, administrative regulations and rules (including but not limited to applicable accounting standards);</p> <p>(IV) having more than five years' experience in legal, economic, accounting, financial and management work or other work required for fulfilling the duties of independent non-executive directors;</p> <p>(V) <u>having good personal morality with no records of poor credit;</u></p> <p>(VI) <u>other conditions specified in laws, administrative regulations, the rules of CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><b>Article 10</b> A candidate for an independent non-executive director shall have none of the following bad records:</p> <p><del>(I) administrative penalties imposed by the CSRC in the last 36 months;</del></p> <p><del>(II) during the period when the stock exchange publicly determines that he/she is not suitable to serve as a director of a listed company;</del></p> <p><del>(III) having been publicly condemned or criticised by the stock exchange for more than two times in the past 36 months;</del></p> <p><del>(IV) failure to attend board meetings for two consecutive times during his/her term of office as an independent non-executive director, or failure to attend board meetings in person representing more than one-third of the number of board meetings in that year;</del></p> <p><del>(V) during his/her tenure as an independent non-executive director, the independent opinions expressed are obviously inconsistent with the facts;</del></p> <p>(VI) other circumstances as determined by the stock exchange.</p>	<p><b>Article 10</b> A candidate for an independent non-executive director shall have none of the following bad records:</p> <p><u>(I) any administrative punishment imposed by the CSRC or criminal punishment by judicial authority due to violations or crimes on securities and futures dealing within the last 36 months;</u></p> <p><u>(II) being placed on file for investigation by the CSRC or judicial authority due to suspected violations or crimes on securities and futures dealing, with no definite conclusion has been reached;</u></p> <p><u>(III) any public censure or three or more times of public criticism by the stock exchanges within the last 36 months;</u></p> <p><u>(IV) any material dishonest acts or other misconduct records;</u></p> <p><u>(V) in less than 12 months, having been proposed by the Board to be removed at a general meeting since he/she fails to attend the board meetings either in person or by appointing another independent non-executive director on his/her behalf for two consecutive times during his/her previous tenure as an independent non-executive director;</u></p> <p>(VI) other circumstances as determined by the stock exchange.</p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Chapter IV</b> Nomination, Election and Replacement Procedures for Independent Non-Executive Directors	<b>Chapter III</b> Nomination, Election and Replacement Procedures for Independent Non-Executive Directors
<p><b>Article 11</b> A candidate for an independent non-executive director may be nominated by the Board of Directors, Board of Supervisors, or shareholder(s) individually or collectively holding 1% or more of the <del>total</del> shares <del>carrying voting right</del> of the Company, and shall be elected at the shareholders' general meeting.</p>	<p><b>Article 11</b> A candidate for an independent non-executive director may be nominated by the Board of Directors, Board of Supervisors, or shareholder(s) individually or collectively holding 1% or more of the <u>issued</u> shares of the Company, and shall be elected at the shareholders' general meeting.</p> <p><u>An investor protection institution formed in accordance with the law may publicly request shareholders to entrust it with exercise of the right to nominate the independent non-executive directors.</u></p> <p><u>The nominator specified in paragraph 1 of this Article shall not nominate a person who has interest in the nominator or any other close relationship that may affect the independent performance of duties as a candidate for the independent non-executive director.</u></p>
<p><b>Article 12</b> The consent of the nominees shall be obtained before the nominators nominate them for the position of independent non-executive directors; the nominators shall be fully aware of such details of the nominees as their occupation, educational background, title, career details, all of their concurrent positions, etc. and provide such written materials to the Company, and shall express opinions on the nominees' qualification and independence as independent non-executive directors. The nominees shall make a public announcement as to <del>the absence of any connection between the Company and them which would affect their independent and objective judgments.</del></p>	<p><b>Article 12</b> The consent of the nominees shall be obtained before the nominators nominate them for the position of independent non-executive directors; the nominators shall be fully aware of such details of the nominees as their occupation, educational background, title, career details, all of their concurrent positions, <u>whether he/she has any material discredit and other misconduct records,</u> etc. and provide such written materials to the Company, and shall express opinions on the nominees' qualification and independence as independent non-executive directors. The nominees shall make a public announcement as to <u>his/her satisfaction of independence and other requirements for the office of independent non-executive director.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><del>Article 13</del> The Company shall <del>simultaneously</del> submit the relevant materials on all the nominees to the stock exchange on which the shares of the Company are listed <del>not later than</del> the time of the publication of the notice of convening the general meeting in relation to the election of independent non-executive directors. If the board of directors of the Company has objections concerning the relevant details of a nominee, the Company shall additionally submit the written opinion of the board of directors.</p> <p>The nominees against whom the stock exchange has objections, the Company shall not elect them as independent non-executive directors at the general meeting, and shall delay or cancel such general meeting in accordance with the Rules for General meetings of Listed Companies or cancel the relevant proposals at the general meeting.</p> <p>At the time the general meeting to elect an independent non-executive director is held, the board of directors of the Company shall elaborate on whether the stock exchange had any objections against the candidates for the post of independent non-executive director.</p>	<p><b>Article 13</b> <u>The nomination committee of the Company shall review the qualifications of the nominees for appointment and form a definite review opinion.</u></p> <p><u>Before convening the shareholders' general meeting for election of independent non-executive directors,</u> the Company shall disclose relevant information in accordance with the provisions of Article 12 hereof and the preceding paragraph, and submit the relevant materials on all the nominees to the stock exchange on which the shares of the Company are listed. <u>Such materials submitted shall be true, accurate and complete.</u></p> <p><u>The stock exchange shall, in accordance with the requirements, review such materials of the independent non-executive director candidates and raise dissenting views, the Company shall not submit for election at the shareholders' general meeting.</u></p>
<p><b>Additional article.</b></p>	<p><b>Article 15</b> <u>In case that two or more independent non-executive directors are elected at a shareholders' general meeting of the Company, the cumulative voting system shall be adopted. A separated vote-taking shall be conducted for the minority shareholders and the poll results shall be disclosed.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><del>Article 15 If an independent non-executive director fails to attend the board meeting in person for three consecutive times, the board of directors shall propose a replacement of director to the general meeting.</del></p> <p>The listed company may remove an independent non-executive director following the statutory procedure before the expiry of his/her term of office. In case of an early removal, <del>it shall be disclosed as a special issue</del> by the Company. If the independent non-executive director whose office is terminated before expiration <del>considers that the reason for termination is not proper, he/she can make a public declaration.</del></p>	<p><b>Article 16</b> The company may remove an independent non-executive director following the statutory procedure before the expiry of his/her term of office. In case of an early removal, the Company <u>shall promptly disclose the specific reasons and grounds therefor.</u> If the independent non-executive director whose office is terminated before expiration <u>has any objection to the removal, the Company shall disclose it in a timely manner.</u></p> <p><u>Any independent non-executive director who fails to comply with the provisions of subparagraph (1) or (2) of Article 9 of the system shall immediately cease the performance of his/her duties and resign from his/her position. If he/she fails to resign, the board of directors shall immediately dismiss him/her in accordance with the relevant provisions as soon as it knows or should have known the occurrence of such facts.</u></p> <p><u>If the proportion of the independent non-executive directors in the board of directors or its special committees falls below the minimum requirement of the system or the Articles of Association, or there are no accounting professional among the independent non-executive directors as a result of the resignation or dismissal of an independent non-executive director due to the circumstances as stipulated in the preceding paragraph, the Company shall complete the election for replacement within 60 days from the date of the occurrence of aforementioned facts.</u></p>



<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><b>Article 16</b> An independent non-executive director may tender resignation before expiration of the term of office by submitting a written resignation report to the board of directors, providing an explanation of any conditions which are related to his/her resignation or which are considered by him/her as necessary to draw the attention of shareholders and creditors of the Company.</p>	<p><b>Article 17</b> An independent non-executive director may tender resignation before expiration of the term of office by submitting a written resignation report to the board of directors, providing an explanation of any conditions which are related to his/her resignation or which are considered by him/her as necessary to draw the attention of shareholders and creditors of the Company. <u>The Company shall disclose the reasons and concerns for the independent non-executive director's resignation.</u></p> <p>If the proportion of the independent non-executive directors in the board of directors <u>or special committees</u> falls below the minimum requirement of these Rules <u>or the Articles of Association</u>, or there are <u>no accounting professional among the independent non-executive directors</u> as a result of the resignation of an independent non-executive director, <u>the independent non-executive director shall continue to perform his/her duties until the date when a new independent non-executive director is appointed. The Company shall complete the election for replacement within 60 days from the date of resignation of the independent non-executive director.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><del><b>Article 17</b> If an independent non-executive director of the Company fails to meet the independence criteria or is otherwise unsuitable to perform the duties of an independent non-executive director after his/her appointment, he/she shall resign as an independent non-executive director within one month from the date of such occurrence. If he/she fails to resign as required, the board of directors of the Company shall initiate the decision-making process to remove him/her as an independent non-executive director within 2 days after the expiry of the term.</del></p> <p><del>If the resignation of an independent non-executive director causes the number of independent non-executive directors in the board of directors of the Company to fall below one-third of the total members of the board of directors, the resigning independent non-executive director shall continue to perform his/her duties until the date of appointment of the new independent non-executive director. The original nominator of the independent non-executive director or the board of directors the Company shall nominate a new candidate for independent non-executive director within three months from the date of resignation of such independent non-executive director. Where laws, administrative regulations and securities regulatory rules of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.</del></p>	<p><b>This Article is replaced by Article 16.</b></p>
<p><del><b>Article 18</b> If the proportion of the independent non-executive directors in the board of directors falls below the minimum requirement of these Rules as a result of the resignation of an independent non-executive director, the resignation of the independent non-executive director shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding independent non-executive director.</del></p>	<p><b>This Article is replaced by Article 17.</b></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Chapter V <del>Functions and Powers of Independent Non-Executive Directors</del></b>	<b>Chapter IV <u>Duties and Duty Performance Methods of Independent Non-Executive Directors</u></b>
<b>Additional article.</b>	<p><b>Article 18</b> <u>The independent non-executive directors shall perform the following duties:</u></p> <p><u>(I) to participate in the decision-making of the Board of Directors and offer specific opinions on the matters deliberated;</u></p> <p><u>(II) to supervise the matters on potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, directors, and senior management members specified in Articles 21, 35, 36 and 37 of these Rules, urge the decision-making of the Board of Directors in the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders;</u></p> <p><u>(III) to provide professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making level of the Board of Directors;</u></p> <p><u>(IV) to perform other duties prescribed by laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><del>Article 19</del> In order to give full play to the role of independent non-executive directors, in addition to the powers conferred by laws, regulations, normative documents, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, the Company shall also grant the following special powers to independent non-executive directors:</p> <p>(I) Major connected transactions (refer to connected transactions proposed to be entered into between the Company and connected persons with a total amount of more than RMB3,000,000 or more than 5% of the latest audited net asset value of the listed company) shall be submitted to the general meeting for consideration upon approval by the independent non-executive directors; the independent non-executive directors may, before making judgment, appoint an intermediary to provide independent financial and advisory reports as a basis for their judgment.</p> <p>(II) to propose to the board of directors for appointment or dismissal of accounting firm;</p> <p>(III) to propose the board of directors to convene an extraordinary general meeting;</p> <p>(IV) to propose to convene a board meeting;</p> <p>(V) to openly collect voting rights from shareholders before a general meeting is held;</p> <p>(VI) to independently appoint external audit and consulting institutions;</p> <p>Independent non-executive directors shall seek the consent of more than half of all the independent non-executive directors before exercising the powers under (I) to (V); independent non-executive directors shall seek the consent of all the independent non-executive directors before exercising the powers under (VI).</p>	<p><b>Article 19</b> <u>Independent non-executive directors may exercise the following special duties and powers:</u></p> <p><u>(I) to independently engage intermediaries to provide audit, consulting or verification services for specific matters of the Company;</u></p> <p><u>(II) to propose to the Board of Directors for the convening of extraordinary general meetings;</u></p> <p><u>(III) to propose the convening of board meetings;</u></p> <p><u>(IV) to publicly solicit shareholders' rights from shareholders in accordance with laws;</u></p> <p><u>(V) to give independent opinions on matters that may damage the rights and interests of the Company or minority shareholders;</u></p> <p><u>(VI) to perform other duties prescribed by laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.</u></p> <p><u>To exercise the duties and powers of independent non-executive directors in item (I) to (III) of this Article, consent of more than half of all independent non-executive directors shall be obtained.</u></p> <p><u>The Company shall make a disclosure in a timely manner if an independent non-executive director exercises the duties and powers specified in the first paragraph. If the above-mentioned duties and powers cannot be properly exercised, the Company shall disclose the specific situation and reasons therefor.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p>Items (I) and (II) shall be approved by more than half of the independent non-executive directors before being submitted to the board of directors for discussion.</p>	
<p><del>Article 20</del> If a proposal put forward by an independent non-executive director pursuant to the above special powers is not adopted or his/her powers cannot be exercised normally, the Company shall disclose the relevant information.</p> <p>Where the laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed, CSRC and Hong Kong Stock Exchange provide otherwise, such provisions shall prevail.</p>	<p><b>This Article is replaced by Article 19.</b></p>
<p><del>Article 21</del> Independent non-executive directors shall actively perform their duties in corporate governance, internal control, information disclosure and financial supervision. Independent non-executive directors, as equal board members, should give the board of directors and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation.</p> <p>Independent non-executive directors shall perform their duties independently and fairly, and shall not be affected by the Company's substantial shareholders, de facto controllers or other entities and individuals who have interests in the Company. If it is found that any matter under consideration affects his/her independence, he/she shall declare to the Company and abstain from voting. In the event that the independence is significantly affected during his/her term of office, he/she shall notify the Company in a timely manner, propose solutions and, if necessary, resign.</p>	<p><b>Article 20</b> Independent non-executive directors, as equal board members, should give the board of directors and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation.</p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><del>Article 22</del> Independent non-executive directors shall, in addition to fulfilling the aforesaid duties, provide the board of directors or general meeting with independent opinions on the following matters:</p> <p>(I) nomination, appointment and dismissal of directors;</p> <p>(II) appointment or dismissal of senior management personnel;</p> <p>(III) remunerations of directors and senior management personnel of the Company;</p> <p>(IV) appointment or dismissal of accounting firms;</p> <p>(V) changes in accounting policies, accounting estimates or correction of significant accounting errors due to reasons other than changes in accounting standards;</p> <p>(VI) non-standard unqualified audit opinions issued by the accounting firm on the financial and accounting reports and internal control of the Company;</p> <p>(VII) internal control evaluation report;</p> <p>(VIII) the plan for the change of commitments by relevant parties;</p> <p>(IX) the effects of the issuance of preference shares on the interests of various shareholders of the Company;</p> <p>(X) formulation of profit distribution policies, profit distribution plans and cash dividend plans;</p>	<p><u>Article 21</u> The following matters shall be submitted to the board of directors for deliberation with the consent of a majority of all independent non-executive directors of the Company:</p> <p>(I) <u>Affiliated transactions that shall be disclosed;</u></p> <p>(II) <u>The plans of the Company and the relevant parties for the modification or waiver of their undertakings;</u></p> <p>(III) <u>The decisions made and measures taken by the board of directors of the Company regarding the acquisition when being acquired;</u></p> <p>(IV) <u>Other matters prescribed by laws, administrative regulations, rules of the CRSC, and the Articles of Association.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p>(XI) material matters such as connected transactions, provision of guarantees (excluding provision of guarantees for subsidiaries within the scope of the consolidated financial statements), entrusted wealth management, provision of financial assistance, use of proceeds, investment in shares and derivatives to be disclosed;</p> <p>(XII) material asset restructuring plan, management acquisition, equity incentive plan, employee stock ownership plan, share repurchase plan, debt repayment plan for related parties of the listed company;</p> <p>(XIII) the Company intends to decide that its shares will no longer be traded on the stock exchange;</p> <p>(XIV) any existing or new borrowings or other fund transfers by the Company's shareholders, de facto controllers and their related enterprises with an aggregate amount of more than RMB3,000,000 or more than 5% of the Company's latest audited net assets, and whether the Company has taken effective measures to recover the debts;</p> <p>(XV) matters which independent non-executive directors deem likely to damage the interests of minority shareholders;</p> <p>(XVI) other issues specified in laws and regulations, requirements of the stock exchange and the Articles of Association.</p>	
<p><del><b>Article 23</b> The independent non-executive Directors shall express one of the following opinions on the above matters: consent; qualified opinion with reasons; objection with reasons; inability to express an opinion and the obstacles.</del></p>	<p><b>Delete this Article.</b></p>
<p><del><b>Article 24</b> If the relevant matters are those need to be disclosed, the Company shall announce the opinions of independent non-executive Directors. When the independent non-executive Directors have different opinions and cannot reach a consensus, the Board of Directors shall disclose the opinions of each independent non-executive Director separately.</del></p>	<p><b>Delete this Article.</b></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Additional article.</b>	<p><b>Article 22</b> <u>An independent non-executive director shall attend a meeting of the board of directors in person. If an independent non-executive director is unable to attend a meeting in person for any reason, he or she shall review the meeting materials in advance, form specific opinions, and entrust in writing another independent non-executive director to attend the meeting on his or her behalf.</u></p> <p><u>If any independent non-executive director fails to attend in person or entrust other independent non-executive directors as his/her representatives to attend meetings of the board of directors for two consecutive times, the board of directors shall propose to convene the general meeting within thirty days after the occurrence thereof to terminate the employment of such independent non-executive director.</u></p>
<b>Additional article.</b>	<p><b>Article 23</b> <u>The Company shall, on a periodical or unscheduled basis, convene meetings attended solely by independent non-executive directors (hereinafter referred to as “special meetings of independent non-executive directors”). The matters specified in subparagraphs (1) through (3) of paragraph 1 of Article 19 and Article 21 of these Rules shall be deliberated at the special meetings of independent non-executive directors.</u></p> <p><u>The special meetings of independent non-executive directors may study and discuss other matters of the Company if necessary.</u></p> <p><u>The special meetings of independent non-executive directors shall be convened and presided over by an independent non-executive director jointly elected by a majority of the independent non-executive directors. If the convener fails to or is unable to perform his or her duties, two or more independent non-executive directors may, on their initiative, convene a meeting and elect a representative to preside over the meeting.</u></p> <p><u>The Company shall facilitate and support the convening of special meetings of independent non-executive directors.</u></p>



<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Additional article.</b>	<p><b>Article 24</b> <u>The independent non-executive directors, on a periodical or unscheduled basis, convene special meetings of independent non-executive directors, the convener shall issue a notice to all independent non-executive directors 3 days before the meeting. The above notice period can be waived upon the approval of all independent non-executive directors.</u></p> <p><u>A written notice of meeting shall include the date and location of the meeting, the issues to be considered, the ways of convening the meeting and the date on which the notice is sent.</u></p>
<b>Additional article.</b>	<p><b>Article 25</b> <u>A special meetings of independent non-executive directors shall be attended by more than half of the independent non-executive directors.</u></p>
<b>Additional article.</b>	<p><b>Article 26</b> <u>The special meetings of independent non-executive directors shall, in principle, hold meetings in person, or may be held via video, telephone, facsimile, e-mail or other communication means. One independent non-executive director shall have one vote at the special meetings of independent non-executive directors, including show of hands, written ballot and other means. The matters considered at the meeting shall be approved by a majority of all independent non-executive directors.</u></p>
<b>Additional article.</b>	<p><b>Article 27</b> <u>The independent non-executive directors can vote for, against or abstains from voting at the special meetings of independent non-executive directors. When an independent non-executive director votes against or abstains from voting on a proposal of the board of directors, he or she shall explain the specific reasons and basis therefor, the legality and compliance of the matters involved in the proposal, potential risks, and the impact on the rights and interests of the Company and minority shareholders.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><b>Article 25</b> The independent opinions of independent non-executive directors on major issues shall include at least the following:</p> <p>(I) basic information on major matters;</p> <p>(II) basis for expressing opinions, including the procedures performed, the documents to be reviewed, the contents of on-site inspections, etc.;</p> <p>(III) legal compliance of major matters;</p> <p>(IV) the impact on the rights and interests of the <del>listed</del> company and its minority shareholders, the possible risks, and whether the measures taken by the Company are effective;</p> <p>(V) concluding opinions issued. Where there are reservations, objections or opinions that could not be expressed on major matters, the relevant independent non-executive directors shall clearly explain the reasons and obstacles for inability to express opinion.</p> <p>The independent directors shall sign and confirm their independent opinions issued, and report the said opinions to the board of directors in a timely manner and disclose the same together with relevant announcements of the Company.</p>	<p><b>Article 28</b> The independent opinions of independent non-executive directors on major issues shall include at least the following:</p> <p>(I) basic information on major matters;</p> <p>(II) basis for expressing opinions, including the procedures performed, the documents to be reviewed, the contents of on-site inspections, etc.;</p> <p>(III) legal compliance of major matters;</p> <p>(IV) the impact on the rights and interests of the company and its minority shareholders, the possible risks, and whether the measures taken by the Company are effective;</p> <p>(V) concluding opinions issued. Where there are reservations, objections or opinions that could not be expressed on major matters, the relevant independent non-executive directors shall clearly explain the reasons and obstacles for inability to express opinion.</p> <p>The independent directors shall sign and confirm their independent opinions issued, and report the said opinions to the board of directors in a timely manner and disclose the same together with relevant announcements of the Company.</p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><del>Article 26</del> An independent non-executive director shall actively perform his/her due diligence obligations and make a report to the stock exchange, and if necessary, engage an intermediary to carry out special inspections, if the independent non-executive director finds that the Company:</p> <p>(I) fails to consider the material events as required;</p> <p>(II) fails to perform the information disclosure obligation in a timely manner;</p> <p>(III) discloses information which contains misrepresentations, misleading statements, or material omissions;</p> <p>(IV) is otherwise suspected of violating laws and regulations or damaging the legitimate rights and interests of minority shareholders.</p>	<p><u>Article 29</u> An independent non-executive director shall pay continuous attention to the implementation of resolutions of the board of directors on the matters specified in Articles 21, 35, 36, and 37 of these Rules, and if the independent non-executive director finds any violation of laws, regulations, rules of the stock exchange, or the Articles of Association, or violation of the resolution adopted at the shareholders' general meeting or the meeting of the board of directors, the independent non-executive director shall report the violation to the board of directors in a timely manner and may require the Company to make a written explanation thereon. The Company shall promptly disclose any involved matter that shall be disclosed. If the Company fails to make an explanation or a timely disclosure, the independent non-executive director may report it to the stock exchange.</p>
<p><del>Article 27</del> In addition to attending board meetings, independent non-executive directors shall ensure to arrange reasonable time for conducting on-site inspection on the production and operation conditions, the establishment and implementation of management and internal control systems of listed companies, and the implementation of resolutions of the board of directors. If any abnormality is found during the on-site inspection, it shall be reported to the board of directors of the Company and the stock exchange in a timely manner.</p>	<p><b>Delete this article.</b></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Additional article.</b>	<p><b>Article 32</b> <u>An independent non-executive director shall work on-site at the Company for not less than 15 days each year.</u></p> <p><u>In addition to attending shareholders' general meetings, meetings of the Board of Directors and its special committees, and special meetings of independent non-executive directors according to the relevant provisions, independent non-executive directors may perform their duties by various means such as obtaining information on the operation of the Company on a periodical basis, hearing the reports of the management, communicating with the person in charge of the internal audit body, the accounting firm providing audit services for the Company, and other intermediaries, conducting field visits, and communicating with minority shareholders.</u></p>
<b>Additional article.</b>	<p><b>Article 33</b> <u>When an independent non-executive director votes against or abstains from voting on a proposal of the board of directors, he or she shall explain the specific reasons and basis therefor, the legality and compliance of the matters involved in the proposal, potential risks, and the impact on the rights and interests of the Company and minority shareholders, among others. When the Company discloses the resolution of the board of directors, it shall disclose the dissenting opinions of independent non-executive directors at the same time and indicate such opinions in the resolution of the board of directors and the minutes of the meeting.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Additional article.</b>	<p><b>Article 34</b> <u>Independent non-executive directors in the special committees of the board of directors of the Company shall perform their duties in accordance with laws, administrative regulations, rules of CSRC, business rules of stock exchanges and the Articles of Association. Independent non-executive directors shall attend the meetings of special committees in person. An independent non-executive director who is unable to attend such meetings in person for some reason shall review the meeting materials in advance, form specific opinions, and entrust another independent non-executive director in writing to attend the meeting on his/her behalf. If an independent non-executive director concerns any material matter of the Company which falls within the scope of duties of a special committee in the course of performing his/her duties, he/she may promptly submit them to special committees for discussion and deliberation under relevant procedures.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Additional article.</b>	<p><b>Article 35</b> <u>The audit committee of the board of directors of the Company shall include independent non-executive directors. The audit committee shall be responsible for reviewing the financial information of the Company and the disclosure thereof and supervising and assessing the internal and external audits and internal control. The following matters shall be submitted to the board of directors for deliberation with the approval of a majority of all members of the audit committee:</u></p> <p>(I) <u>Disclosure of financial accounting reports, financial information in periodic reports, and internal control evaluation reports;</u></p> <p>(II) <u>Appointment or dismissal of the accounting firm providing audit services for the Company;</u></p> <p>(III) <u>Appointment or dismissal of the person in charge of financial affairs of the Company;</u></p> <p>(IV) <u>Changes in accounting policies or accounting estimates, or corrections of material accounting errors due to reasons other than changes in accounting standards;</u></p> <p>(V) <u>Other matters as stipulated by laws, administrative regulations, rules of CSRC and the Articles of Association.</u></p> <p><u>The audit committee shall convene at least one meeting every quarter. An extraordinary meeting may be convened when it is proposed by two or more members, or when the convener deemed it necessary. The meeting of the audit committee may not be convened unless two-thirds or more of its members are present.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Additional article.</b>	<p><b>Article 36</b> <u>The nomination committee of the board of directors of the Company shall include independent non-executive directors. The nomination committee shall be responsible for developing the criteria and procedures for selecting directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications, and making recommendations to the board of directors on the following matters:</u></p> <p><u>(I) Nomination, appointment or removal of directors;</u></p> <p><u>(II) Appointment or dismissal of senior management;</u></p> <p><u>(III) Other matters as stipulated by laws, administrative regulations, rules of CSRC and the Articles of Association.</u></p> <p><u>If the board of directors fails to adopt or fully adopts the recommendations of the nomination committee, it shall record the opinions of the nomination committee and the specific reasons for its non-adoption in the resolution of the board of directors and disclose them.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Additional article.</b>	<p><b>Article 37</b> <u>The remuneration committee of the board of directors of the Company shall include independent non-executive directors. The remuneration committee of the board of directors of the Company be responsible for developing the assessment criteria for and conducting assessments on directors and senior management, formulating and reviewing the remuneration policies and plans for directors and senior management, and making recommendations to the board of directors on the following matters:</u></p> <p><u>(I) Remuneration of directors and senior management;</u></p> <p><u>(II) Development or modification of the equity incentive plan and employee stock ownership plan, and satisfaction of the conditions for granting equity to and exercising equity by incentive recipients;</u></p> <p><u>(III) Arrangement made by directors and senior management for the stock ownership plan for the subsidiaries planning a divestiture;</u></p> <p><u>(IV) Other matters as stipulated by laws, administrative regulations, rules of CSRC and the Articles of Association.</u></p> <p><u>If the board of directors fails to adopt or fully adopts the recommendations of the remuneration committee, it shall record the opinions of the remuneration committee and the specific reasons for its non-adoption in the resolution of the board of directors, and disclose them.</u></p>



<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Additional article.</b>	<p><b>Article 38</b> <u>The minutes of the meeting of the Board of Directors and its special committees or the special meeting of independent non-executive directors shall be made according to the relevant provisions, in which the opinions of independent non-executive directors shall be indicated. Independent non-executive directors shall sign the meeting minutes for confirmation.</u></p> <p><u>The Independent non-executive directors shall prepare work records and record detailed information on the performance of their duties. The information obtained in the process of an independent non-executive director's performance of his or her duties, relevant meeting minutes and records of communication with the personnel of the Company and intermediaries, among others, shall constitute parts of the work records. An independent non-executive director may require the secretary of the Board of Directors and other relevant personnel to confirm the important information in work records by signature, and the Company and relevant personnel shall cooperate.</u></p>
<b>Additional article.</b>	<p><b>Article 39</b> <u>The independent non-executive directors shall strengthen their learning on security laws and regulations and rules to continuously improve their abilities in performing duties.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<b>Chapter VI Work Rules of Annual Report of Independent Non-Executive Directors</b>	<b>Chapter V Work Rules of Annual Report of Independent Non-Executive Directors</b>
<p><del>Article 33 Where the accounting policies and accounting estimates were changed or significant accounting errors were corrected by the Company due to reasons other than the implementation of appropriate accounting principles of the place where its shares are listed, the independent non-executive directors shall express independent opinions.</del></p>	<p><u>Article 43 The independent directors shall sign a written confirmation for the annual reports of the Company. Where the independent directors are unable to ensure the truthfulness, accuracy and completeness of the content of the annual reports or have objection thereto, their reasons and opinions shall be stated and disclosed in the annual reports.</u></p>
<p><b>Article 34</b> If an independent non-executive director has any objection to the specific matters of the Company's annual report, he/she may engage an external audit firm and consulting agency to conduct audit and consultation subject to the approval of all independent non-executive directors.</p>	<p><b>Article 44</b> If an independent non-executive director has any objection to the specific matters of the Company's annual report, he/she may engage an external audit firm and consulting agency to conduct audit and consultation subject to the approval of a <u>majority of</u> all independent non-executive directors.</p>
<b>Chapter VII Guarantees for Duty Performance of Independent Non-Executive Directors</b>	<b>Chapter VI Guarantees for Duty Performance of Independent Non-Executive Directors</b>
<p><b>Article 36</b> The Company shall ensure that independent non-executive directors enjoy the same right to know as other directors.</p> <p><del>For the matters subject to decisions by the Board of Directors, the Company shall in advance and before the statutory deadline notify independent non-executive directors and provide them with adequate information; and if the said information is deemed as inadequate, independent non-executive directors may request supplementary information.</del></p> <p>Where two or more independent non-executive directors consider the information inadequate or the proof unclear, they may jointly propose in writing to the Board of Directors for postponing the Board meeting or the consideration of the matters, and the Board of Directors shall adopt such proposal.</p>	<p><b>Article 46</b> The Company shall ensure that independent non-executive directors enjoy the same right to know as other directors. <u>To ensure that independent non-executive directors can effectively exercise their functions and powers, the company shall regularly report its operation to independent non-executive directors, provide relevant materials to independent non-executive directors, and organize or cooperate with them in on-site investigations and other work.</u></p> <p><u>Before the deliberation of any significant or complicated matter by the board of directors, a listed company may organize its independent non-executive directors to participate in the research and argumentation of the matter, fully listen to the opinions of independent non-executive directors, and promptly report the adoption of their opinions to independent non-executive directors.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><del>Article 37 The information provided by the Company to independent non-executive directors shall be kept by the Company and such independent non-executive directors for at least five years.</del></p>	<p><u>Article 47</u> The Company shall give notice of a meeting of the Board of Directors to the independent non-executive directors in a timely manner, provide relevant meeting materials no later than the notice period for board meetings as specified in laws and administrative regulations, provisions of the CSRC or the Articles of Association, and create effective communication channels for the independent non-executive directors. In terms of a meeting convened by the special committees of the Board of Directors, the relevant materials and information shall, in principle, be provided no later than three days prior to the meeting of the special committees. <u>The aforesaid meeting materials shall be kept by the Company for at least ten years.</u></p> <p>Where two or more independent non-executive directors consider the information <u>incomplete</u>, the <u>proof inadequate</u> or not provided timely, they may propose in writing to the Board of Directors for postponing the Board meeting or the consideration of the matters, and the Board of Directors shall adopt such proposal.</p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><b>Article 38</b> The Company shall provide the independent non-executive directors with the working conditions they need to perform their duties.</p> <p><del>The secretary of the board of directors of the Company shall actively assist the independent non-executive directors in performing their duties, such as describing the situation, providing materials, regularly reporting the operation status of the Company, and organizing the independent directors to visit the Company on the spot if necessary. Where the independent opinions, proposals and written explanations issued by the independent non-executive directors should be announced, the secretary of the board of directors shall assist in handling the announcement matters in a timely manner.</del></p>	<p><b>Article 48</b> The Company shall provide the independent non-executive directors with the working conditions <u>and personnel support</u> they need to perform their duties, <u>and designate special personnel and departments, such as the secretary of the board of directors and business management department of the board of directors, to assist independent non-executive directors in performing their duties.</u></p> <p><u>The secretary of the board of directors shall ensure smooth communication between independent non-executive directors and other directors, officers, and other relevant personnel, and ensure that independent non-executive directors have access to sufficient resources and necessary professional opinions in the performance of their duties.</u></p>
<p><b>Additional article.</b></p>	<p><b>Article 49</b> <u>Before a meeting of the board of directors is convened, an independent non-executive director may communicate with the secretary of the board of directors and inquire about, request the supplements of materials, or offer opinions and recommendations concerning the matters to be deliberated. The board of directors and relevant personnel shall conscientiously study the issues, requests, and opinions put forward by the independent non-executive director and promptly provide feedback on the implementation of amendments to the proposals and other matters to the independent non-executive director.</u></p>

<b>WORKING RULES OF INDEPENDENT NON-EXECUTIVE DIRECTORS</b>	
<b>Before amendments</b>	<b>After amendments</b>
<p><b>Article 39</b> When independent non-executive directors are performing their duties, <del>personnel</del> of the Company shall actively provide assistance and shall not refuse, obstruct or conceal or interfere with their independent duty performance.</p>	<p><b>Article 50</b> When independent non-executive directors are performing their duties, <u>the directors, senior management and other relevant personnel</u> of the Company shall actively provide assistance and shall not refuse, obstruct or conceal or interfere with their independent duty performance.</p> <p><u>If independent non-executive directors encounter obstruction in performing their duties in accordance with the law, they may explain the situation to the Board of Directors, request cooperation from the directors, senior management and other relevant personnel, and record the details and resolution of the obstruction in their work record; if they still fail to remove the obstruction, they may report the matter to the CSRC and the stock exchanges.</u></p> <p><u>If the performance of duties by independent non-executive directors involves information that shall be disclosed, the Company shall make the disclosure in a timely manner; if the Company fails to disclose such information, the independent non-executive directors may directly apply for disclosure or report the matter to the CSRC and the stock exchanges.</u></p>
<p><b>Article 41</b> The Company shall grant the <del>appropriate</del> allowance to the independent non-executive directors. The standard of the allowance shall be proposed by the board of directors, approved by the general meeting, and disclosed in the annual report. In addition to the said allowances, independent non-executive directors shall not receive any other <del>additional and undisclosed</del> benefits from the Company, its substantial shareholders or stakeholders, whether entities or individuals.</p>	<p><b>Article 52</b> The Company shall grant the allowance <u>commensurate with their duties</u> to the independent non-executive directors. The standard of the allowance shall be proposed by the board of directors, approved by the general meeting, and disclosed in the annual report. In addition to the said allowances, independent non-executive directors shall not receive any other benefits from the Company, its substantial shareholders, <u>de facto controller</u> or stakeholders, whether entities or individuals.</p>

The following is an explanatory statement required by Rule 10.06(1)(b) of the Hong Kong Listing Rules to provide the Shareholders with information reasonably necessary for them to make an informed decision on whether to vote for or against the special resolution to approve the grant the A Share Repurchase Mandate and the grant of the H Share Repurchase Mandate.

### **1. NUMBER OF SHARES PROPOSED TO BE REPURCHASED**

As at the Latest Practicable Date, the total number of issued Shares was 13,575,938,612, comprising 9,899,938,612 A Shares and 3,676,000,000 H Shares.

Subject to the passing of the special resolutions in respect of the grant of the A Share Repurchase Mandate and the grant of the H Share Repurchase Mandate, and on the basis that the total number of issued A Shares (i.e. 9,899,938,612 A Shares) the total number of issued H Shares (i.e. 3,676,000,000 H Shares) as at the Latest Practicable Date will remain unchanged as at the date of the AGM and the Class Meetings, the Directors will be authorised to repurchase up to 989,993,861 A Shares pursuant to the A Share Repurchase Mandate and repurchase up to 367,600,000 H Shares pursuant to the H Share Repurchase Mandate during the period when the A Share Repurchase Mandate and the H Share Repurchase Mandate remain in force, representing 10% of the total number of issued A Shares and 10% of the total number of issued H Shares, respectively.

### **2. REASONS FOR SHARE REPURCHASE**

In order to implement the relevant requirements of the State Council and the State-owned Assets Supervision and Administration Commission of the State Council on further improving the quality of listed companies, maintain the value of the Company and the interests of the Shareholders, and give the Company the flexibility to repurchase Shares if and when appropriate, it is proposed that the A Share Repurchase Mandate and H Share Repurchase Mandate be granted to the Board.

Repurchase of A Shares and/or H Shares will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

### **3. SOURCE OF FUNDS**

In repurchasing A Shares and/or H Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Hong Kong Listing Rules and the applicable laws and regulations of the PRC, as the case may be.

The Directors propose that repurchase of A Shares and/or H Shares will be financed by the Company's self-raised funds as and when appropriate.

#### 4. IMPACT ON WORKING CAPITAL

As compared with the financial position of the Company as at 31 December 2023 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the A Share Repurchase Mandate and/or H Share Repurchase Mandate would be exercised in full at any time during the proposed repurchase period.

#### 5. MARKET PRICES OF SHARES

The highest and lowest prices at which the A Shares and the H Shares were traded on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, respectively, during each of the twelve months before the Latest Practicable Date (up to the Latest Practicable Date) were as follows:

	A Shares		H Shares	
	Lowest <i>RMB</i>	Highest <i>RMB</i>	Lowest <i>HK\$</i>	Highest <i>HK\$</i>
<b>2023</b>				
June	2.440	2.550	0.930	1.010
July	2.460	2.580	0.860	1.000
August	2.370	2.560	0.840	0.920
September	2.370	2.440	0.830	0.890
October	2.150	2.400	0.800	0.850
November	2.240	2.340	0.770	0.820
December	2.310	2.480	0.770	0.810
<b>2024</b>				
January	2.160	2.480	0.730	0.850
February	2.170	2.540	0.740	0.840
March	2.280	2.460	0.760	0.830
April	2.330	2.570	0.770	0.830
May (up to the Latest Practicable Date)	2.440	2.860	0.810	1.110

#### 6. GENERAL

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their respective close associates (as defined in the Hong Kong Listing Rules) has any present intention, in the event that the proposed grant of the A Share Repurchase Mandate and/or proposed grant of the H Share Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

The Company has not been notified by any core connected persons (as defined in the Hong Kong Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the A Share Repurchase Mandate and/or the proposed grant of the H Share Repurchase Mandate are approved by the Shareholders.

The Directors have undertaken to the Hong Kong Stock Exchange to exercise the power of the Company to repurchase A Shares and/or H Shares pursuant to the A Share Repurchase Mandate and/or H Share Repurchase Mandate and in accordance with the Hong Kong Listing Rules and the applicable laws and regulations of the PRC.

Neither the explanatory statement nor the A Share Repurchase Mandate/H Share Repurchase Mandate has any unusual features.

## 7. TAKEOVERS CODE

If on the exercise of the power to repurchase H Shares pursuant to the H Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control on the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, COSCO SHIPPING and parties acting in concert with it (the "**COSCO SHIPPING Concert Group**") controlled or were entitled to exercise control over the voting rights in respect of 6,123,503,998 A Shares and 100,944,000 H Shares, representing approximately 45.85% of the total issued share capital of the Company and approximately 45.95% of the total voting rights of the A Share and H Share capital of the Company (excluding the Shares in the non-voting A Share repurchase account). COSCO SHIPPING is the indirect controlling shareholder of the Company.

In the event that the Directors will exercise the A Share Repurchase and H Share Repurchase Mandate in full, the proportionate interest of COSCO SHIPPING Concert Group in the voting rights of the Company would increase to approximately 51.06% of the total voting rights of the A Share and H Share capital of the Company (excluding the Shares in the non-voting A Share repurchase account) if they do not participate in such repurchase. Pursuant to the Takeovers Code, if the control or entitlement to control on the voting rights of the Company's Shares, including both A Shares and H Shares, by the COSCO SHIPPING Concert Group increases by 2 percent or more within a 12-month-period because of, among other things, their increase in holding in the Company's Shares and/or the implementation of the above-mentioned general mandate which causes changes in total share capital of the Company, it will trigger the obligation of the COSCO SHIPPING Concert Group to make a mandatory offer under the Takeovers Code. The Directors have no present intention to exercise the A Share



Repurchase Mandate and/or H Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a takeover or to such an extent as would, in the case of any applicable law, have a similar effect. In addition, the Directors will not make such repurchase on the Hong Kong Stock Exchange if such repurchase would result in a breach of Rule 8.08 of the Hong Kong Listing Rules.

#### **8. SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not repurchased any Shares (whether on the Hong Kong Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**COSCO SHIPPING Development Co., Ltd.  
2023 Work Report of the Independent Directors**

**(Lu Jianzhong (陸建忠))**

As an independent Director of COSCO SHIPPING Development Co., Ltd. (the “Company”), in 2023, I have diligently and faithfully discharged my duties in an attitude of being accountable to all shareholders, and objectively, cautiously and fairly expressed my prior approvals of or independent opinions on major issues of the Company in strict compliance with the relevant provisions of laws and regulations including the Company Law, the Securities Law, the Measures on the Administration of Independent Directors of Listed Companies, the Articles of Association and the Rules for Independent Non-executive Directors, safeguarding the legitimate rights and interests of the Company and its shareholders (especially minority shareholders) as a whole. I hereby present the 2023 Work Report of Independent Directors as follows:

**I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTOR**

**(i) Personal working experience, professional background and part-time engagement**

I, Lu Jianzhong (陸建忠), male, born in 1954, am currently an independent non-executive Director of the Company. I graduated from the Department of Accounting of Shanghai University of Finance and Economics with a bachelor’s degree in economics in January 1983. I started my career in the field of finance in the same year. I was a lecturer and an associate professor of the Finance and Accounting Department at the Shanghai Maritime University from September 1986 to August 1997. I served as a certified accountant and a partner of the audit department of PricewaterhouseCoopers Zhong Tian LLP from September 1997 to June 2012. From July 2012 to September 2016, I served as a partner of Shanghai De’an Certified Public Accountants LLP, the marketing director of Daxin Certified Public Accountants LLP and a partner of Zhongxinghua Certified Public Accountants LLP. I served as a certified accountant at Da Hua Certified Public Accountants LLP from October 2016 to December 2021. I have been a certified accountant of Zhongxinghua Certified Public Accountants LLP since January 2022. I am currently a supervisor of Hangzhou Hikvision Digital Technology Co.,Ltd. (listed on the Shenzhen Stock Exchange under the stock code 002415), and an independent director of each of Bomike Marine Engineering Company Limited (listed on the Shanghai Stock Exchange under the stock code 603727), Shanghai Xinnanyang Only Education &Technology Co., Ltd. (listed on the Shanghai Stock Exchange under the stock code 600661), Bank of Tianjin Co., Ltd. (listed on the Hong Kong Stock Exchange under the stock code HK1578) and Shanghai Weike Precision Moulding Co., Ltd. (to be listed on the Shenzhen Stock Exchange Growth Enterprise Market). I am an enterprise mentor for the Master of Professional Accounting (MP Acc)/the Master of Auditing programs (Maud) of Antai College of Economics and Management of Shanghai Jiao Tong University and an external expert of the Asset Securitization Task Group under the Economic Research Center of the State Council. I am a member of Jiusan Society in the PRC.

**(ii) Statement of independence**

During the reporting period, my employment complied with the independence requirements under Article 6 of the Measures on the Administration of Independent Directors of Listed Companies and there were no circumstances under which my independence would be affected.

**II. PERFORMANCE OF DUTIES OF INDEPENDENT DIRECTORS DURING THE YEAR**

**(I) Attendance at Board meetings and general meetings**

During the reporting period, I timely attended the Board meetings organized and held by the Company according to the laws and regulations, and carefully reviewed all Board proposals. I did not entrust other independent Directors to attend the meetings. In my opinion, the procedures for convening and holding meetings of the Board of Directors of the Company followed the laws and regulations, legal and valid decision-making and approval procedures were adopted in respect of major issues, and all the resolutions made at the meetings did not prejudice the legitimate rights and interests of the Company and its shareholders (especially minority shareholders) as a whole and were favorable to the long-term development of the Company. I objectively and carefully reviewed all the proposals, prudently exercised the right to vote and voted for all Board proposals and other matters of the Company during my term of office. I did not raise objections against any proposal or cast a dissenting vote or abstention vote at the Board meetings. In 2023, the Company convened a total of 10 Board meetings and 2 general meetings. I attended all the meetings in person.

**(ii) Performance of duties of special committees of the Board**

During the reporting period, the Audit Committee and the Risk Control Committee of the Company convened 7 meetings and 2 meetings, respectively. As the chairman of the Audit Committee of the Board and a member of the Risk Control Committee of the Board, I attended all the meetings in person. In respect of the Audit Committee, I reviewed the Company's periodic reports, internal audit, internal control, re-appointment of the auditors for A Share and H Share financial reports and the internal control auditors, the annual performance of the Audit Committee and other matters. As a member of the Risk Control Committee of the Board, I reviewed the Company's internal control, comprehensive risk management and other matters.

In my opinion, the procedures for convening and holding the special committee meetings of the Board of the Company during the reporting period followed the relevant laws and regulations, and the necessary approval procedures were adopted in respect of all matters. I made independent and prudent judgments on all the proposals and voted for them. There were no objections to the proposals of the special committee meetings of the Board and other matters of the Company.

**(iii) Communication with internal auditors and accounting firms**

During the reporting period, as the chairman of the Audit Committee of the Company, I regularly convened the Audit Committee and listened to the reports of the Company's internal audit department and external accountants, and earnestly performed my power and responsibilities as the chairman of the Audit Committee and an independent Director through diversified ways of prior guidance, in-process spot check and post-event inspection. In 2023, I recognized the overall work engagement of the internal auditor team and the external accountant team of the Company, and affirmed the methods adopted for the on-site audit and extended audit. In addition, I also urged to improve and enhance the areas and matters of key concern during previous inquiries, and required the internal and external audit teams of the Company to conduct audit by taking into consideration the key concerns and improvement advice at previous Audit Committee meetings, conscientiously conduct on-site audit and extended audit work, and fully practice the principles of comprehensiveness, rigorousness and prudence to make sure of the effectiveness of the overall annual internal audit.

During the reporting period, I convened a meeting of the Audit Committee on 13 January 2023, at which the Arrangement Regarding SHINEWING's A Share and H Share and Internal Control Integrated Audit Plan of 2022 were reviewed and approved. On 29 March and 29 August 2023, I convened and held the annual meeting of the Audit Committee of the Board for 2022 and the interim meeting of the Audit Committee of the Board for 2023 via on-site meetings, at which the proposals on the Company's internal audit for the year 2022 to 2023, and the Company's annual financial report for 2022; the review report for the first half of 2023 of the Company (both domestic and overseas), the report on the execution of internal audit for the first half of 2023 of the Company, the report on the internal audit results of significant matters for the first half of 2023 of the Company, the financial report for the first half of 2023 of the Company and other significant matters that I listened to were reviewed and approved. On 28 November 2023, I convened a meeting of the Audit Committee, at which the Report Regarding SHINEWING's A Share and H Share Internal Control and Audit Plan of 2023 were reviewed and approved.

**(iv) On-site work and the Company's cooperation with independent Directors**

In 2023, the Company continued to further implement the communication mechanism between the management and independent Directors integrated with prior communication, full communication, regular reporting and diversified reporting. The management of the Company fully communicated with the Board and me on decisions involving material governance and major operations in advance before submission to the Board for consideration.

In addition to regular on-site performance reporting to independent Directors, the Company also arranged to prepare monthly reports on the Company's operation, financial condition and other significant matters, and submitted regular performance reports in the form of PPT and summary notes for my review, so that independent Directors can timely, fully, dynamically and comprehensively understand the Company's operation and management status. In addition, during the disclosure of regular reports, I was reminded to perform the confidentiality obligation and enhance the awareness of abiding by laws and regulations.

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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From 30 May to 2 June 2023, the Company arranged for me to conduct an on-site inspection in Dong Fang International Container (Qingdao) Co., Ltd. (寰宇東方國際集裝箱(青島)有限公司), a subsidiary of the Company, listen to the report of the management of the subsidiary and pay a field visit to the first-line workshops of dry cargo containers and reefer containers and related working areas to inspect and assess the actual operation, business structure, risk control, internal control and sustainable development and other governance aspects of the Company, and to put forward working suggestions and ideas on the production, operation and sustainable governance. The Company kept a complete record of the working suggestions and opinions put forward by me in all previous meetings and surveys, timely conducted comprehensive self-inspection, steadily promoted improvements and implemented feedback.

**(v) Communication with minority shareholders**

During the reporting period, I paid close attention to the Company's efforts to improve the quality of the listed company. Adhering to the principle of respecting investors and being guided by their needs, I actively participated in the interaction between the Company and its minority shareholders, aiming to protect the rights and interests of investors and enhance the market recognition of the Company. In 2023, I participated in three results briefings held by the Company on the SSE Roadshow platform, and had in-depth communication with minority investors on matters such as the market environment, the Company's strategic planning, the achievements of the Company's efforts to deepen the reform and investor returns. All these efforts have earned the unanimous trust and recognition of the investors.

**III. KEY CONCERNS OF WORK OF INDEPENDENT DIRECTORS FOR THE YEAR**

**(i) Related transactions**

During the reporting period, I discharged my duties conscientiously for the control and daily management of the related transactions of the Company. I carefully reviewed and expressed prior approval opinions on the related transaction regarding the disposal of 100% equity interest in Helen Insurance Brokers Limited during the year that the procedures for considering the related transaction were in compliance with laws and regulations; that the overall transaction was in compliance with the principles of fairness, impartiality and openness; that the pricing for the transaction was fair and reasonable, and was in the interests of the Company and the shareholders as a whole, without prejudicing the interests of minority shareholders.

**(ii) Disclosure of financial information in financial and accounting reports and periodic reports and evaluation reports on internal control**

During the reporting period, I carefully reviewed the financial information in the financial and accounting reports and periodic reports of the Company and held the view that the Company's financial data was true, complete, accurate, and free from fraud, malpractice and material misstatement, and there were no material accounting error adjustments, or matters involved in significant accounting judgment and resulting in audit reports of non-standard and unqualified opinions.

During the reporting period, the Company actively promoted the construction of a standardized system of enterprise internal control and established a relatively complete internal control system in strict accordance with the relevant requirements of laws and regulations such as the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardised Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》) and the Basic Standards for Internal Control of Business Enterprises. The certified public accountants engaged by the Company audited the effectiveness of the relevant internal control of the Company during the reporting period, and believed that the Company maintained an effective internal control of financial reporting in all material respects according to the Basic Standards for Internal Control of Business Enterprises and relevant regulations, and issued an audit report on the internal control.

In my opinion, the Company has established a complete internal control system which was effectively implemented, and maintained an effective internal control of financial reporting in all material respects according to the requirements of the standardized system of enterprise internal control and relevant regulations, no material defects in the internal control for the purpose of non-financial reporting were found, and no factors affecting the conclusion on the effectiveness evaluation of the internal control occurred. For the implementation of internal control, please refer to the Internal Control Evaluation Report for 2022 considered and passed by the Board, and the Internal Control Audit Report for 2022 of the Company issued by ShineWing Certified Public Accountants.

**(iii) Appointment of certified public accountants undertaking the audit of listed companies**

During the reporting period, the Proposal Regarding the Engagement of the Company's Auditors of A Share and H Share Financial Reports and Internal Control for 2023 was successively considered and approved at the first meeting of the seventh session of the Audit Committee of the Board, the second meeting of the seventh session of the Board of Directors and the 2022 Annual General Meeting of the Company, pursuant to which the Company was approved to re-appoint ShineWing Certified Public Accountants LLP (“**ShineWing**”) as the Company's financial reporting auditor and internal control auditor of A Shares for 2023, and re-appoint SHINEWING (HK) CPA Limited (“**SHINEWING HK**”) as the Company's financial reporting auditor of H Shares for 2023.

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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The above-mentioned re-appointment of the certified public accountants has been approved by me in advance before submission to the Board for consideration. I believe that ShineWing's and SHINEWING HK's securities business qualifications and other aspects are in compliance with the requirements of the CSRC and the Shanghai Stock Exchange, and Hong Kong Listing Rules. ShineWing and SHINEWING HK strictly abided by professional ethics and followed the independent, objective and impartial practice standards in providing the Company with 2022 financial reporting and internal control audit services, completed various audits for 2022, and possessed the professional capability to provide financial reporting and internal control audit services for the Company. The Company's procedures for re-appointing the certified public accountants are in compliance with the requirements of the laws, regulations and the Articles of Association, and there is no circumstance that would prejudice the interests of the Company and the Shareholders. I agreed to re-appoint ShineWing as the Company's financial reporting auditor and internal control auditor of A Shares for 2023, and re-appoint SHINEWING HK as the Company's financial reporting auditor of H Shares for 2023.

**(iv) Appointment and removal of Directors and appointment of senior executives**

During the reporting period, the seventh session of the Board of Directors formally assumed office on 27 February 2023 upon the approval of the first extraordinary general meeting of the Company for 2023. I expressed my opinion as an independent Director on the general election of the Board of Directors in a conscientious and responsible attitude. In April 2023, the Company applied to the Hong Kong Stock Exchange for, and was granted, the approval to appoint Mr. Cai Lei, the secretary to the Board, as the company secretary of the Company, since Mr. Cai Lei has complied with the qualification requirements on a company secretary under Rule 3.28 of the Hong Kong Listing Rules. I carefully reviewed and re-examined his biographical information, and voted for the Proposal Regarding the Engagement of Company Secretary of H Share of COSCO SHIPPING Development Co., Ltd. at the fourth meeting of the seventh session of the Board of Directors of the Company.

**(v) Remuneration of Directors and progress on share option incentives of the Company**

During the reporting period, the Remuneration Committee of the Board of the Company formulated the remuneration plans for Directors and Supervisors of the Company for 2023 according to the Working Rules for the Remuneration Committee of the Board of Directors and based on the scope of work, responsibilities and importance of the Directors and Supervisors of the Company and the remuneration levels of relevant positions in other relevant enterprises. The relevant resolutions were considered and approved at the first meeting of the seventh session of the Remuneration Committee of the Board and the second meeting of the seventh session of the Board of Directors. I, as a Director, carefully reviewed the information on the resolutions and voted for them.

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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During the reporting period, I, as a Director, carefully reviewed the meeting files and supporting materials provided by the Company, paid attention to major matters such as adjustment to the exercise price, determination of grantees, measurement of relevant performance indicators, compliance of consideration procedures and exercise arrangements, and agreed to the Proposal on Exercise of the Share Option Incentive Scheme and Relevant Matters of the Company at the fifth meeting of the seventh session of the Board of Directors of the Company.

**(vi) External guarantees and misappropriation of funds**

I am of the opinion that the Company was able to strictly comply with the requirements of relevant laws and regulations, that the Company carried out the procedures for consideration, decision making and information disclosure as to external guarantees, and that the Company was not found to provide illegal guarantees to controlling shareholders and other related parties. The flow of funds between the Company and the actual controller was arising from normal business operation, and no controlling shareholders and other related parties were found to have misappropriated funds of the Company.

**(vii) Use of proceeds**

In March and August 2023, the Board considered and approved the “Special Report on the Deposit and Use of Proceeds in 2022” and the “Special Report on the Deposit and Use of Proceeds in the First Half of 2023 of the Company”, respectively. I am of the opinion that the Company has disclosed the deposit and actual use of the proceeds in a timely, true, accurate and complete manner and there is no non-compliance in the use of the proceeds and it has faithfully fulfilled its disclosure obligations regarding the investment and progress of the proceeds.

**(viii) Cash dividend distribution and investment return**

During the reporting period, the Company implemented a profit distribution plan for 2022, pursuant to which a cash dividend of RMB0.87 (inclusive of tax) for every 10 shares was distributed to all shareholders, and the total cash dividend distributed amounted to RMB1,178,607,645.84. In this regard, I reviewed and issued independent opinions that indicate explicit consent. I am of the opinion that the profit distribution plan for 2022 of the Company is in compliance with the relevant provisions of the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividends of Listed Companies and the Articles of Association, and is in line with the actual situation of the Company and is conducive to the sustainable and healthy development of the Company, there is no prejudice to the interests of the shareholders of the Company. The Company agrees to submit the profit distribution plan for 2022 of the Company to the Board and the general meeting for consideration.



**(ix) Other issues which the independent Directors considered that the Company should improve**

The Company operated in a regulated manner according to relevant laws and regulations as well as regulatory requirements for listed companies. Currently, no issues that need to be raised for improvement were found.

**IV. OVERALL ASSESSMENT AND RECOMMENDATIONS**

As an independent Director of the Company, in 2023, I firmly discharged my duties based on the principles of objectiveness, fairness and independence, and played an active role as an independent Director in strict compliance with the requirements of laws and regulations, including the Company Law, the Securities Law, the Measures on the Administration of Independent Directors of Listed Companies, the Articles of Association and the Rules for Independent Non-executive Directors, effectively safeguarding the overall interests of the Company and the legitimate rights and interests of the vast investors.

In 2024, I will continue to uphold the principles of prudence, seriousness and diligence to exercise the rights of an independent Director and fulfill the obligations of an independent Director in compliance with the laws and regulations, strengthen communication and cooperation with the Board, the Supervisory Committee and the management of the Company to constantly deepen my understanding of the production and operation of the Company, strengthen learning to constantly enhance my professional skills and decision-making capabilities, facilitate the scientific decisions of the Board, and make contribution to the steady operation and good performance of the Company, thus better safeguarding the legitimate rights and interests of the Company and its shareholders (especially minority shareholders).

COSCO SHIPPING Development Co., Ltd.  
Independent Director: Lu Jianzhong  
28 March 2024

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**COSCO SHIPPING Development Co., Ltd.  
2023 Work Report of the Independent Directors**

**(Zhang Weihua (張衛華))**

As an independent Director of COSCO SHIPPING Development Co., Ltd. (the “Company”), in 2023, I have diligently and faithfully discharged my duties in an attitude of being accountable to all shareholders, and objectively, cautiously and fairly expressed my prior approvals of or independent opinions on major issues of the Company in strict compliance with the relevant provisions of laws and regulations including the Company Law, the Securities Law, the Measures on the Administration of Independent Directors of Listed Companies, the Articles of Association and the Rules for Independent Non-executive Directors, safeguarding the legitimate rights and interests of the Company and its shareholders (especially minority shareholders) as a whole. I hereby present the 2023 Work Report of Independent Directors as follows:

**I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTOR**

**(i) Personal working experience, professional background and part-time engagement**

I, Zhang Weihua (張衛華), female, born in 1961, am currently an independent non-executive Director of the Company. I graduated from the Faculty of Business of the University of Southern Queensland in Australia with a master’s degree in business. I served as the compliance director of China Merchants Securities Co., Ltd. (listed on the Shanghai Stock Exchange under stock code 600999) and concurrently as the chairman of the board of supervisors of China Merchants Fund Management Co., Ltd. I successively held a number of positions, including the chief auditor, assistant to the president, and general manager of the audit department of China Merchants Securities Co., Ltd.; and the assistant to the general manager of the securities business division of the head office of China Merchants Bank.

**(i) Statement of independence**

During the reporting period, my employment complied with the independence requirements under Article 6 of the Measures on the Administration of Independent Directors of Listed Companies and there were no circumstances under which my independence would be affected.

**II. PERFORMANCE OF DUTIES OF INDEPENDENT DIRECTORS DURING THE YEAR**

**(i) Attendance at Board meetings and general meetings**

During the reporting period, I timely attended the Board meetings organized and held by the Company according to the laws and regulations, and carefully reviewed all Board proposals. I did not entrust other independent Directors to attend the meetings. In my opinion, the procedures for convening and holding meetings of the Board of Directors of the Company followed the laws and regulations, legal and valid decision-making and approval procedures were adopted in respect of major issues, and all the resolutions made at the meetings did not prejudice the legitimate rights and interests of the Company and its shareholders (especially minority shareholders) as a whole and were favorable to the long-term development of the Company. I objectively and carefully reviewed all the proposals, prudently exercised the right

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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to vote, and voted for all Board proposals and other matters of the Company during my term of office. I did not raise objections against any proposal or cast a dissenting vote or abstention vote at the Board meetings. In 2023, the Company convened a total of 10 Board meetings and 2 general meetings. I attended all the meetings in person.

**(ii) Performance of duties of special committees of the Board**

During the reporting period, the Risk Control Committee and the Remuneration Committee of the Company convened 2 meetings and 3 meetings, respectively. As the chairman of the Risk Control Committee of the Board and a member of the Remuneration Committee of the Board, I attended all the meetings in person. As the chairman of the Risk Control Committee of the Board, I guided and reviewed proposals on the internal control and the comprehensive risk management of the Company; as a member of the Remuneration Committee of the Board, I checked and reviewed the remuneration of Directors and Supervisors of the Company for the year of 2023, the exercise of share option incentives of the Company and other matters.

In my opinion, the procedures for convening and holding the special committee meetings of the Board of the Company during the reporting period followed the relevant laws and regulations, and the necessary approval procedures were adopted in respect of all matters. I made independent and prudent judgments on all the proposals and voted for them. There were no objections to the proposals of the special committee meetings of the Board and other matters of the Company.

**(iii) Communication with internal auditors and accounting firms**

During the reporting period, as the chairman of the Risk Control Committee of the Company, I regularly communicated with the internal management department and external auditors, and guided and checked the work. On 29 March 2023, I convened and held the first meeting of the seventh session of the Risk Control Committee of the Board of the Company via physical presence, at which, the Report Regarding the 2022 Internal Control Audit of the Company from ShineWing Certified Public Accountants to the Risk Control Committee was heard and agreed.

**(iv) On-site work and the Company's cooperation with independent Directors**

In 2023, the Company continued to further implement the communication mechanism between the management and independent Directors integrated with prior communication, full communication, regular reporting and diversified reporting. The management of the Company fully communicated with the Board and me on decisions involving material governance and major operations in advance before submission to the Board for consideration.

In addition to regular on-site performance reporting to independent Directors, the Company also arranged to prepare monthly reports on the Company's operation, financial condition and other significant matters, and submitted regular performance reports in the form of PPT and summary notes for my review, so that independent Directors can timely, fully, dynamically and comprehensively understand the Company's operation and management status. In addition, during the disclosure of regular reports, I was reminded to perform the confidentiality obligation and enhance the awareness of abiding by laws and regulations. In December 2023, I participated in and finished the 2023 session 6 follow-up training for independent Directors held by the Shanghai Stock Exchange.

From 30 May to 2 June 2023, the Company arranged for me to conduct an on-site inspection in Dong Fang International Container (Qingdao) Co., Ltd. (寰宇東方國際集裝箱(青島)有限公司), a subsidiary of the Company, listen to the report of the management of the subsidiary and pay a field visit to the first-line workshops of dry cargo containers and reefer containers and related working areas to inspect and assess the actual operation, business structure, risk control, internal control and sustainable development and other governance aspects of the Company, and to put forward working suggestions and ideas on the production, operation and sustainable governance accordingly. The Company kept a complete record of the working suggestions and opinions put forward by me in all previous meetings and surveys, timely conducted comprehensive self-inspection, steadily promoted improvements and implemented feedback.

**III. KEY CONCERNS OF WORK OF INDEPENDENT DIRECTORS FOR THE YEAR**

**(i) Related transactions**

During the reporting period, I discharged my duties conscientiously for the control and daily management of the related transactions of the Company. I carefully reviewed and expressed prior approval opinions on the related transaction regarding the disposal of 100% equity interest in Helen Insurance Brokers Limited during the year that the procedures for considering the related transaction were in compliance with laws and regulations; that the overall transaction was in compliance with the principles of fairness, impartiality and openness; that the pricing for the transaction was fair and reasonable, and was in the interests of the Company and the shareholders as a whole, without prejudicing the interests of minority shareholders.

**(ii) Disclosure of financial information in financial and accounting reports and periodic reports and valuation reports on internal control**

During the reporting period, I carefully reviewed the financial information in the financial and accounting reports and periodic reports of the Company and held the view that the Company's financial data was true, complete, accurate, and free from fraud, malpractice and material misstatement, and there were no material accounting error adjustments, or matters involved in significant accounting judgment and resulting in audit reports of non-standard and unqualified opinions.

During the reporting period, the Company actively promoted the construction of a standardized system of enterprise internal control and established a relatively complete internal control system in strict accordance with the relevant requirements of laws and regulations such as the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardised Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》) and the Basic Standards for Internal Control of Business Enterprises. The certified public accountants engaged by the Company audited the effectiveness of the relevant internal control of the Company during the reporting period, and believed that the Company maintained an effective internal control of financial reporting in all material respects according to the Basic Standards for Internal Control of Business Enterprises and relevant regulations, and issued an audit report on the internal control.

In my opinion, the Company has established a complete internal control system which was effectively implemented, and maintained an effective internal control of financial reporting in all material respects according to the requirements of the standardized system of enterprise internal control and relevant regulations, no material defects in the internal control for the purpose of non-financial reporting were found, and no factors affecting the conclusion on the effectiveness evaluation of the internal control occurred. For the implementation of internal control, please refer to the “Internal Control Evaluation Report for 2022” considered and passed by the Board, and the “Internal Control Audit Report for 2022” of the Company issued by ShineWing Certified Public Accountants.

**(iii) Appointment of certified public accountants undertaking the audit of listed companies**

During the reporting period, the Proposal Regarding the Engagement of the Company's Auditors of A Share and H Share Financial Reports and Internal Control for 2023 was successively considered and approved at the first meeting of the seventh session of the Audit Committee of the Board, the second meeting of the seventh session of the Board of Directors and the 2022 Annual General Meeting of the Company, pursuant to which the Company was approved to re-appoint ShineWing Certified Public Accountants LLP (“**ShineWing**”) as the Company's financial reporting auditor and internal control auditor of A Shares for 2023, and re-appoint SHINEWING (HK) CPA Limited (“**SHINEWING HK**”) as the Company's financial reporting auditor of H Shares for 2023.

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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The above-mentioned re-appointment of the certified public accountants has been approved by me in advance before submission to the Board for consideration. I believe that ShineWing's and SHINEWING HK's securities business qualifications and other aspects are in compliance with the requirements of the CSRC and the Shanghai Stock Exchange, and Hong Kong Listing Rules. ShineWing and SHINEWING HK strictly abided by professional ethics and followed the independent, objective and impartial practice standards in providing the Company with 2022 financial reporting and internal control audit services, completed various audits for 2022 and possessed the professional capability to provide financial reporting and internal control audit services for the Company. The Company's procedures for re-appointing the certified public accountants are in compliance with the requirements of the laws, regulations and the Articles of Association, and there is no circumstance that would prejudice the interests of the Company and the Shareholders. I agreed to re-appoint ShineWing as the Company's financial reporting auditor and internal control auditor of A Shares for 2023, and re-appoint SHINEWING HK as the Company's financial reporting auditor of H Shares for 2023.

**(iv) Appointment and removal of directors and appointment of senior executives**

During the reporting period, the seventh session of the Board of Directors formally assumed office on 27 February 2023 upon the approval of the first extraordinary general meeting of the Company for 2023. I expressed my opinion as an independent Director on the general election of the Board of Directors in a conscientious and responsible attitude. In April 2023, the Company applied to the Hong Kong Stock Exchange for, and was granted, the approval to appoint Mr. Cai Lei, the secretary to the Board, as the company secretary of the Company, since Mr. Cai Lei has complied with the qualification requirements on a company secretary under Rule 3.28 of the Hong Kong Listing Rules. I carefully reviewed and re-examined his biographical information, and voted for the Proposal Regarding the Engagement of Company Secretary of H Share of COSCO SHIPPING Development Co., Ltd. at the fourth meeting of the seventh session of the Board of Directors of the Company.

**(v) Remuneration of directors and progress on share option incentives of the Company**

During the reporting period, the Remuneration Committee of the Board of the Company formulated the remuneration plans for Directors and Supervisors of the Company for 2023 according to the Working Rules for the Remuneration Committee of the Board of Directors and based on the scope of work, responsibilities and importance of the Directors and Supervisors of the Company and the remuneration levels of relevant positions in other relevant enterprises. The relevant resolutions were considered and approved at the first meeting of the seventh session of the Remuneration Committee of the Board and the second meeting of the seventh session of the Board of Directors. I, as a Director, carefully reviewed the information on the resolutions and voted for them. Meanwhile, to further promote the high-quality development of the Company, the Remuneration Committee of the Board successfully completed the distribution and management of total wages of the Company's staff within the approved wage limit based on the principle of "appraisal orientation, performance linkage, service strategy"

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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pursuant to the Administrative Measures for Total Amount of Remuneration of COSCO SHIPPING Development Co., Ltd. (Trial). As a member of the Remuneration Committee, I carefully reviewed the relevant resolutions of the 12th meeting of the sixth session of the Remuneration Committee of the Board and agreed to submit them to the Board for consideration.

I, as a Director, carefully reviewed the meeting files and supporting materials provided by the Company, paid attention to major matters such as adjustment to the exercise price, determination of grantees, measurement of relevant performance indicators, compliance of consideration procedures and key concerns of exercise arrangements, and agreed to the Proposal on Exercise of the Share Option Incentive Scheme and Relevant Matters of the Company at the fifth meeting of the seventh session of the Board of Directors of the Company.

**(vi) External guarantees and misappropriation of funds**

I am of the opinion that the Company was able to strictly comply with the requirements of relevant laws and regulations, that the Company carried out the procedures for consideration, decision making and information disclosure as to external guarantees, and that the Company was not found to provide illegal guarantees to controlling shareholders and other related parties. The flow of funds between the Company and the actual controller was arising from normal business operation, and no controlling shareholders and other related parties were found to have misappropriated funds of the Company.

**(vii) Use of proceeds**

In March and August 2023, the Board considered and approved the “Special Report on the Deposit and Use of Proceeds in 2022” and the “Special Report on the Deposit and Use of Proceeds in the First Half of 2023 of the Company”, respectively. I am of the opinion that the Company has disclosed the deposit and actual use of the proceeds in a timely, true, accurate and complete manner, and there is no non-compliance in the use of the proceeds, and it has faithfully fulfilled its disclosure obligations regarding the investment and progress of the proceeds.

**(viii) Cash dividend distribution and investment return**

During the reporting period, the Company implemented a profit distribution plan for 2022, pursuant to which a cash dividend of RMB0.87 (inclusive of tax) for every 10 shares was distributed to all shareholders, and the total cash dividend distributed amounted to RMB1,178,607,645.84. In this regard, I reviewed and issued independent opinions that indicate explicit consent. I am of the opinion that the profit distribution plan for 2022 of the Company is in compliance with the relevant provisions of the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividends of Listed Companies and the Articles of Association, and is in line with the actual situation of the Company and is conducive to the sustainable and healthy development of the Company, there is no prejudice to the interests of the shareholders of the Company. The Company agrees to submit the profit distribution plan for 2022 of the Company to the Board and the general meeting for consideration.

**(ix) Other issues which the independent Directors considered that the Company should improve**

The Company operated in a regulated manner according to relevant laws and regulations as well as regulatory requirements for listed companies. Currently, no issues that need to be raised for improvement were found.

**IV. OVERALL ASSESSMENT AND RECOMMENDATIONS**

As an independent Director of the Company, in 2023, I firmly discharged my duties based on the principles of objectiveness, fairness and independence, and played an active role as an independent Director in strict compliance with the requirements of laws and regulations, including the Company Law, the Securities Law, the Measures on the Administration of Independent Directors of Listed Companies, the Articles of Association and the Rules for Independent Non-executive Directors, effectively safeguarding the overall interests of the Company and the legitimate rights and interests of the vast investors.

In 2024, I will continue to uphold the principles of prudence, seriousness and diligence to exercise the rights of an independent Director and fulfill the obligations of an independent Director in compliance with the laws and regulations, strengthen communication and cooperation with the Board, the Supervisory Committee and the management of the Company to constantly deepen my understanding of the production and operation of the Company, strengthen learning to constantly enhance my professional skills and decision-making capabilities, facilitate the scientific decisions of the Board, and make contribution to the steady operation and good performance of the Company, thus better safeguarding the legitimate rights and interests of the Company and its shareholders (especially minority shareholders).

COSCO SHIPPING Development Co., Ltd.  
Independent Director: Zhang Weihua  
28 March 2024



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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**COSCO SHIPPING Development Co., Ltd.  
2023 Work Report of the Independent Directors**

**(Shao Ruiqing (邵瑞慶))**

As an independent Director of COSCO SHIPPING Development Co., Ltd. (the “Company”), in 2023, I have diligently and faithfully discharged my duties in an attitude of being accountable to all shareholders, and objectively, cautiously and fairly expressed my prior approvals of or independent opinions on major issues of the Company in strict compliance with the relevant provisions of laws and regulations including the Company Law, the Securities Law, the Measures on the Administration of Independent Directors of Listed Companies, the Articles of Association and the Rules for Independent Non-executive Directors, safeguarding the legitimate rights and interests of the Company and its shareholders (especially minority shareholders) as a whole. I hereby present the 2023 Work Report of Independent Directors as follows:

**I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTOR**

**(i) Personal working experience, professional background and part-time engagement**

I, Shao Ruiqing (邵瑞慶), male, born in 1957, am currently an independent non-executive Director of the Company. I currently serve as an accounting professor (level-2 professor) in Shanghai Lixin University of Accounting and Finance, and a doctoral tutor in Shanghai Maritime University, and concurrently as an independent director of Shanghai International Port (Group) Co., Ltd. (stock code: SH 600018), an independent director of China Everbright Bank Company Limited (stock codes: SH 601818/HK 6818), an independent director of China Enterprise Co., Ltd. (stock code: SH 600675), and an independent director of Arcplus Group Plc (stock code: SH 600629). I have been a professor in Shanghai Lixin University of Accounting and Finance since June 2016. I served as a professor in Shanghai Lixin University of Accounting from February 2015 to May 2016, a vice president and professor of Shanghai Lixin University of Accounting from February 2004 to January 2015, the dean, a professor and a doctoral tutor of the School of Economics and Management of Shanghai Maritime University from January 2002 to January 2014, the vice dean and a professor of School of Management of Shanghai Maritime University from October 1999 to December 2001, the head, an assistant professor and a professor of the Finance and Accounting Department of Shanghai Maritime University from May 1994 to September 1999, and a teaching assistant, a lecturer and an assistant professor of the Management Department and the Economics Department of Shanghai Maritime University from August 1982 to April 1994. I have been engaged in professional teaching and scientific research on accounting since 1982. I graduated from the Accounting Department of Shanghai Maritime University as an undergraduate (with a bachelor’s degree in economics), the Accounting Department of Shanghai University of Finance and Economics as a master (with a master’s degree in management) and the Technological Economics and Management Department of Tongji University as a doctor (with a doctoral degree in management). I have been appointed as a member of the Accounting & Finance Expert Advisory Committee by the Ministry of Transport, and concurrently serve as the vice president

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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of the China Communications Accounting Society, an executive director of the Accounting Society of China, the vice president and chairman of the Academic Committee of Shanghai Accounting Association, and an executive director of the Auditing Society of Shanghai. I serve as a deputy to the 13th Shanghai Municipal People's Congress and am entitled to a special government allowance provided by the State Council.

**(ii) Statement of independence**

During the reporting period, my employment complied with the independence requirements under Article 6 of the Measures on the Administration of Independent Directors of Listed Companies and there were no circumstances under which my independence would be affected.

**II. PERFORMANCE OF DUTIES OF INDEPENDENT DIRECTORS DURING THE YEAR****(i) Attendance at Board meetings and general meetings**

During the reporting period, I timely attended the Board meetings organized and held by the Company according to the laws and regulations, and carefully reviewed all Board proposals. I did not entrust other independent Directors to attend the meetings. In my opinion, the procedures for convening and holding meetings of the Board of Directors of the Company followed the laws and regulations, legal and valid decision-making and approval procedures were adopted in respect of major issues, and all the resolutions made at the meetings did not prejudice the legitimate rights and interests of the Company and its shareholders (especially minority shareholders) as a whole and were favorable to the long-term development of the Company. I objectively and carefully reviewed all the proposals, prudently exercised the right to vote and voted for all Board proposals and other matters of the Company during my term of office. I did not raise objections against any proposal or cast a dissenting vote or abstention vote at the Board meetings. In 2023, the Company convened a total of 10 Board meetings and 2 general meetings. I attended all the meetings in person.

**(ii) Performance of duties of special committees of the Board**

During the reporting period, the Remuneration Committee, the Investment Strategy Committee and the Nomination Committee of the Company convened 3 meetings, 2 meetings and 2 meetings, respectively. As the chairman of the Remuneration Committee of the Board and a member of the Investment Strategy Committee and the Nomination Committee of the Board, I attended all the meetings in person. As the chairman of the Remuneration Committee of the Board, I guided and reviewed the remuneration of Directors and Supervisors of the Company for the year 2023, the exercise of share option incentives of the Company and other matters; as a member of the Investment Strategy Committee and the Nomination Committee of the Board, I reviewed and considered the general election of the Board of Directors, the appointment of H Share Company Secretary, the investment and disposal plan of the Company for 2023, the 2023 ESG report and other matters of the Company.

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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In my opinion, the procedures for convening and holding the special committee meetings of the Board of the Company during the reporting period followed the relevant laws and regulations, and the necessary approval procedures were adopted in respect of all matters. I made independent and prudent judgments on all the proposals and voted for them. There were no objections to the proposals of the special committee meetings of the Board and other matters of the Company.

**(iii) On-site work and the Company’s cooperation with independent Directors**

In 2023, the Company continued to further implement the communication mechanism between the management and independent Directors integrated with prior communication, full communication, regular reporting and diversified reporting. The management of the Company fully communicated with the Board and me on decisions involving material governance and major operations in advance before submission to the Board for consideration.

In addition to regular on-site performance reporting to independent Directors, the Company also arranged to prepare monthly reports on the Company’s operation, financial condition and other significant matters, and submitted regular performance reports in the form of PPT and summary notes for my review, so that independent Directors can timely, fully, dynamically and comprehensively understand the Company’s operation and management status. In addition, during the disclosure of regular reports, I was reminded to perform the confidentiality obligation and enhance the awareness of abiding by laws and regulations.

From 30 May to 2 June 2023, the Company arranged for me to conduct an on-site inspection in Dong Fang International Container (Qingdao) Co., Ltd. (寰宇東方國際集裝箱(青島)有限公司), a subsidiary of the Company, listen to the report of the management of the subsidiary and pay a field visit to the first-line workshops of dry cargo containers and reefer containers and related working areas to inspect and assess the actual operation, business structure, risk control, internal control and sustainable development and other governance aspects of the Company, and to put forward working suggestions and ideas on the production, operation and sustainable governance accordingly. The Company kept a complete record of the working suggestions and opinions put forward by me in all previous meetings and surveys, timely conducted comprehensive self-inspection, steadily promoted improvements and implemented feedback.

**(iv) Communication with internal auditors and accounting firms**

On 29 August, the Company held the 2023 interim meeting of the Audit Committee of the Board, I attended the meeting in person and mainly listened to the review report for the first half of 2023, the report on the implementation of the internal audit of the Company for the first half of 2023, the report on the internal audit results of significant matters of the Company for the first half of 2023, the financial report of the Company for the first half of 2023, and other important matters from ShineWing Certified Public Accountants. I required to strengthen internal audit and focus on and enhance the communication and cooperation with external auditors.

**III. KEY CONCERNS OF WORK OF INDEPENDENT DIRECTORS FOR THE YEAR**

**(i) Related transactions**

During the reporting period, I discharged my duties conscientiously for the control and daily management of the related transactions of the Company. I carefully reviewed and expressed prior approval opinions on the related transaction regarding the disposal of 100% equity interest in Helen Insurance Brokers Limited during the year that the procedures for considering the related transaction were in compliance with laws and regulations; that the overall transaction was in compliance with the principles of fairness, impartiality and openness; that the pricing for the transaction was fair and reasonable, and was in the interests of the Company and the shareholders as a whole, without prejudicing the interests of minority shareholders.

**(ii) Disclosure of financial information in financial and accounting reports and periodic reports and valuation reports on internal control**

During the reporting period, I carefully reviewed the financial information in the financial and accounting reports and periodic reports of the Company and held the view that the Company's financial data was true, complete, accurate, and free from fraud, malpractice and material misstatement, and there were no material accounting error adjustments, or matters involved in significant accounting judgment and resulting in audit reports of non-standard and unqualified opinions.

During the reporting period, the Company actively promoted the construction of a standardized system of enterprise internal control and established a relatively complete internal control system in strict accordance with the relevant requirements of laws and regulations such as the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardised Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》) and the Basic Standards for Internal Control of Business Enterprises. The certified public accountants engaged by the Company audited the effectiveness of the relevant internal control of the Company during the reporting period, and believed that the Company maintained an effective internal control of financial reporting in all material respects according to the Basic Standards for Internal Control of Business Enterprises and relevant regulations, and issued an audit report on the internal control.

In my opinion, the Company has established a complete internal control system which was effectively implemented, and maintained an effective internal control of financial reporting in all material respects according to the requirements of the standardized system of enterprise internal control and relevant regulations, no material defects in the internal control for the purpose of non-financial reporting were found, and no factors affecting the conclusion on the effectiveness evaluation of the internal control occurred. For the implementation of internal control, please refer to the “Internal Control Evaluation Report for 2022” considered and passed by the Board, and the “Internal Control Audit Report for 2022” of the Company issued by ShineWing Certified Public Accountants.

**(iii) Appointment of certified public accountants undertaking the audit of listed companies**

During the reporting period, the Proposal Regarding the Engagement of the Company's Auditors of A Share and H Share Financial Reports and Internal Control for 2023 was successively considered and approved at the first meeting of the seventh session of the Audit Committee of the Board, the second meeting of the seventh session of the Board of Directors and the 2022 Annual General Meeting of the Company, pursuant to which the Company was approved to re-appoint ShineWing Certified Public Accountants LLP (“**ShineWing**”) as the Company's financial reporting auditor and internal control auditor of A Shares for 2023, and re-appoint SHINEWING (HK) CPA Limited (“**SHINEWING HK**”) as the Company's financial reporting auditor of H Shares for 2023.

The above-mentioned re-appointment of the certified public accountants has been approved by me in advance before submission to the Board for consideration. I believe that ShineWing's and SHINEWING HK's securities business qualifications and other aspects are in compliance with the requirements of the CSRC and the Shanghai Stock Exchange, and Hong Kong Listing Rules. ShineWing and SHINEWING HK strictly abided by professional ethics and followed the independent, objective and impartial practice standards in providing the Company with 2022 financial reporting and internal control audit services, completed various audits for 2022 and possessed the professional capability to provide financial reporting and internal control audit services for the Company. The Company's procedures for re-appointing the certified public accountants are in compliance with the requirements of the laws, regulations and the Articles of Association, and there is no circumstance that would prejudice the interests of the Company and the Shareholders. I agreed to re-appoint ShineWing as the Company's financial reporting auditor and internal control auditor of A Shares for 2023, and re-appoint SHINEWING HK as the Company's financial reporting auditor of H Shares for 2023.

**(iv) Appointment and removal of directors and appointment of senior executives**

During the reporting period, the seventh session of the Board of Directors formally assumed office on 27 February 2023 upon the approval of the first extraordinary general meeting of the Company for 2023. I expressed my opinion as an independent Director on the general election of the Board of Directors in a conscientious and responsible attitude. In April 2023, the Company applied to the Hong Kong Stock Exchange for, and was granted, the approval to appoint Mr. Cai Lei, the secretary to the Board, as the company secretary of the Company, since Mr. Cai Lei has complied with the qualification requirements on a company secretary under Rule 3.28 of the Hong Kong Listing Rules. I carefully reviewed and re-examined his biographical information, and voted for the Proposal Regarding the Engagement of Company Secretary of H Share of COSCO SHIPPING Development Co., Ltd. at the fourth meeting of the seventh session of the Board of Directors of the Company.

**(v) Remuneration of directors and progress on share option incentives of the Company**

During the reporting period, the Remuneration Committee of the Board of the Company formulated the remuneration plans for Directors and Supervisors of the Company for 2023 according to the Working Rules for the Remuneration Committee of the Board of Directors and based on the scope of work, responsibilities and importance of the Directors and Supervisors of the Company and the remuneration levels of relevant positions in other relevant enterprises. The relevant resolutions were considered and approved at the first meeting of the seventh session of the Remuneration Committee of the Board and the second meeting of the seventh session of the Board of Directors. I, as the chairman of the Remuneration Committee and a Director, carefully reviewed the information on the resolutions and voted for them. Meanwhile, to further promote the high-quality development of the Company, I led the Remuneration Committee of the Board to successfully complete the distribution and management of total wages of the Company's staff within the approved wage limit based on the principle of "appraisal orientation, performance linkage, service strategy" pursuant to the Administrative Measures for Total Amount of Remuneration of COSCO SHIPPING Development Co., Ltd. (Trial). I carefully reviewed the relevant resolutions of the 12th meeting of the sixth session of the Remuneration Committee of the Board and agreed to submit them to the Board for consideration.

During the reporting period, I carefully reviewed the meeting files and supporting materials provided by the Company, paid attention to major matters such as adjustment to the exercise price, determination of grantees, measurement of relevant performance indicators, compliance of consideration procedures and exercise arrangements, and agreed to the Proposal on Exercise of the Share Option Incentive Scheme and Relevant Matters of the Company at the second meeting of the seventh session of the Remuneration Committee of the Board and the fifth meeting of the seventh session of the Board of Directors of the Company.

**(vi) External guarantees and misappropriation of funds**

I am of the opinion that the Company was able to strictly comply with the requirements of relevant laws and regulations, that the Company carried out the procedures for consideration, decision making and information disclosure as to external guarantees, and that the Company was not found to provide illegal guarantees to controlling shareholders and other related parties. The flow of funds between the Company and the actual controller was arising from normal business operation, and no controlling shareholders and other related parties were found to have misappropriated funds of the Company.

**(vii) Use of proceeds**

In March and August 2023, the Board considered and approved the “Special Report on the Deposit and Use of Proceeds in 2022” and the “Special Report on the Deposit and Use of Proceeds in the First Half of 2023 of the Company”, respectively. I am of the opinion that the Company has disclosed the deposit and actual use of the proceeds in a timely, true, accurate and complete manner and there is no non-compliance in the use of the proceeds and it has faithfully fulfilled its disclosure obligations regarding the investment and progress of the proceeds.

**(viii) Cash dividend distribution and investment return**

During the reporting period, the Company implemented a profit distribution plan for 2022, pursuant to which a cash dividend of RMB0.87 (inclusive of tax) for every 10 shares was distributed to all shareholders, and the total cash dividend distributed amounted to RMB1,178,607,645.84. In this regard, I reviewed and issued independent opinions that indicate explicit consent. I am of the opinion that the profit distribution plan for 2022 of the Company is in compliance with the relevant provisions of the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividends of Listed Companies and the Articles of Association, and is in line with the actual situation of the Company and is conducive to the sustainable and healthy development of the Company, there is no prejudice to the interests of the shareholders of the Company. The Company agrees to submit the profit distribution plan for 2022 of the Company to the Board and the general meeting for consideration.

**(ix) Other issues which the independent Directors considered that the Company should improve**

The Company operated in a regulated manner according to relevant laws and regulations as well as regulatory requirements for listed companies. Currently, no issues that need to be raised for improvement were found.

**IV. OVERALL ASSESSMENT AND RECOMMENDATIONS**

As an independent Director of the Company, in 2023, I firmly discharged my duties based on the principles of objectiveness, fairness and independence, and played an active role as an independent Director in strict compliance with the requirements of laws and regulations, including the Company Law, the Securities Law, the Measures on the Administration of Independent Directors of Listed Companies, the Articles of Association and the Rules for Independent Non-executive Directors, effectively safeguarding the overall interests of the Company and the legitimate rights and interests of the vast investors.

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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In 2024, I will continue to uphold the principles of prudence, seriousness and diligence to exercise the rights of an independent Director and fulfill the obligations of an independent Director in compliance with the laws and regulations, strengthen communication and cooperation with the Board, the Supervisory Committee and the management of the Company to constantly deepen my understanding of the production and operation of the Company, strengthen learning to constantly enhance my professional skills and decision-making capabilities, facilitate the scientific decisions of the Board, and make contribution to the steady operation and good performance of the Company, thus better safeguarding the legitimate rights and interests of the Company and its shareholders (especially minority shareholders).

COSCO SHIPPING Development Co., Ltd.  
Independent Director: Shao Ruiqing  
28 March 2024



**COSCO SHIPPING Development Co., Ltd.  
2023 Work Report of the Independent Directors**

**(Chan Kwok Leung (陳國樑))**

As an independent Director of COSCO SHIPPING Development Co., Ltd. (the “Company”), in 2023, I have diligently and faithfully discharged my duties in an attitude of being accountable to all shareholders, and objectively, cautiously and fairly expressed my prior approvals of or independent opinions on major issues of the Company in strict compliance with the relevant provisions of laws and regulations including the Company Law, the Securities Law, the Measures on the Administration of Independent Directors of Listed Companies, the Articles of Association and the Rules for Independent Non-executive Directors, safeguarding the legitimate rights and interests of the Company and its shareholders (especially minority shareholders) as a whole. I hereby present the 2023 Work Report of Independent Directors as follows:

**I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTOR**

**(i) Personal working experience, professional background and part-time engagement**

I, Chan Kwok Leung (陳國樑), male, born in 1957, am currently an independent non-executive Director of the Company. I served as Chief Operation Officer, executive director, non-executive director of Singamas Container Holdings Limited (Hong Kong listed company, Stock Code: 00716), and director of the subsidiaries of Singamas Container Holdings Limited. I served as technical director at XTRA Corporation, Genstar Container Corporation and Unicon International Ltd, with more than 40 years of experience in factory management, marketing, container leasing, container depot management and container quality management. I studied at Hong Kong Baptist University with a major in production management, and received professional training at the Institute of International Container Lessors with a major in container inspection.

**(ii) Statement of independence**

During the reporting period, my employment complied with the independence requirements under Article 6 of the Measures on the Administration of Independent Directors of Listed Companies and there were no circumstances under which my independence would be affected.

**II. PERFORMANCE OF DUTIES OF INDEPENDENT DIRECTORS DURING THE YEAR**

**(i) Attendance at Board meetings and general meetings**

During the reporting period, I timely attended the Board meetings organized and held by the Company according to the laws and regulations, and carefully reviewed all Board proposals. I did not entrust other independent Directors to attend the meetings. In my opinion, the procedures for convening and holding meetings of the Board of Directors of the Company followed the laws and regulations, legal and valid decision-making and approval procedures were adopted in respect of major issues, and all the resolutions made at the meetings did not prejudice the legitimate rights and interests of the Company and its shareholders (especially minority shareholders) as a whole and were favorable to the long-term development of the Company. I objectively and carefully reviewed all the proposals, prudently exercised the right to vote and voted for all Board proposals and other matters of the Company during my term of office. I did not raise objections against any proposal or cast a dissenting vote or abstention vote at the Board meetings. Since I formally served as an independent Director of the Company, the Company convened a total of 8 Board meetings and 2 general meetings in 2023. I attended all the meetings in person.

**(ii) Performance of duties of special committees of the Board**

During the reporting period, as the chairman of the current Nomination Committee of the Board and a member of the Audit Committee, the Risk Control Committee, the Remuneration Committee and the Investment Strategy Committee, I attended 1 Nomination Committee meeting, 6 Audit Committee meetings, 2 Risk Control Committee meetings, 2 Remuneration Committee meetings and 2 Investment Strategy Committee meetings. As the chairman of the Nomination Committee, I carefully reviewed and agreed on the proposal for the appointment of H Share Company Secretary; as a member of the Audit Committee, the Risk Control Committee, the Remuneration Committee and the Investment Strategy Committee, I checked and reviewed the regular reports, internal audit, internal control, re-appointment of the auditors of A Share and H Share financial reports and internal control, annual performance of the Audit Committee; internal control and comprehensive risk management of the Company; the investment and disposal plan of the Company for 2023, the 2023 ESG report; the remuneration of Directors and Supervisors of the Company for 2023, the exercise of share option incentives and other matters.

In my opinion, the procedures for convening and holding the special committee meetings of the Board of the Company during the reporting period followed the relevant laws and regulations, and the necessary approval procedures were adopted in respect of all matters. I made independent and prudent judgments on all the proposals and voted for them. There were no objections to the proposals of the special committee meetings of the Board and other matters of the Company.

**(iii) Communication with internal auditors and accounting firms**

During the reporting period, as a member of the Audit Committee of the Company, I regularly listened to the reports of the internal audit department and external accounting firms, and honestly performed my power and responsibilities as a member of the Audit Committee and an independent Director through diversified ways of prior guidance, in-process spot check and post-event inspection. During 2023, I listened to and agreed to the overall work arrangement of the internal auditor team and the external accountant team of the Company. At the same time, I required the internal and external audit teams of the Company to conduct an audit by taking into consideration the key concerns and improvement advice at previous Audit Committee meetings, conscientiously conduct on-site audit and extended audit work, and fully practice the principles of comprehensiveness, rigorousness and prudence to make sure of the effectiveness of the overall annual internal audit.

During the reporting period, on 29 March and 29 August, I attended the meeting of the Audit Committee of the Board for the year 2022 and 2023 interim meeting of the Audit Committee of the Board via physical presence, at which, the internal audit of the Company of 2022-2023, the proposal regarding the 2022 financial report of the Company, the domestic and overseas review report of the Company for the first half of 2023, the report on the implementation of internal audit of the Company for the first half of 2023, the report on the internal audit results of significant matters of the Company for the first half of 2023, the financial report of the Company for the first half of 2023 and other important matters were heard and approved. On 28 November, the Report Regarding SHINEWING's A Share and H Share Internal Control and Audit Plan of 2023 was heard and approved.

**(iv) On-site work and the Company's cooperation with independent Directors**

In 2023, the Company continued to further implement the communication mechanism between the management and independent Directors integrated with prior communication, full communication, regular reporting and diversified reporting. The management of the Company fully communicated with the Board and me on decisions involving material governance and major operations in advance before submission to the Board for consideration. In addition to regular on-site performance reporting to independent Directors, the Company also arranged to prepare monthly reports on the Company's operation, financial condition and other significant matters, and submitted regular performance reports in the form of PPT and summary notes for my review, so that independent Directors can timely, fully, dynamically and comprehensively understand the Company's operation and management status. In addition, during the disclosure of regular reports, I was reminded to perform the confidentiality obligation and enhance the awareness of abiding by laws and regulations. In January 2023, I participated in and finished pre-appointment training for independent Directors held by the Shanghai Stock Exchange and appointment training for Directors held by the Hong Kong Stock Exchange and obtained the qualifications of Independent Directors. In December 2023, I participated in and finished the 2023 session 6 follow-up training for independent Directors held by the Shanghai Stock Exchange.

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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From 30 May to 2 June 2023, the Company arranged for me to conduct an on-site inspection in Dong Fang International Container (Qingdao) Co., Ltd. (寰宇東方國際集裝箱(青島)有限公司), a subsidiary of the Company, listen to the report of the management of the subsidiary and pay a field visit to the first-line workshops of dry cargo containers and reefer containers and related working areas to inspect and assess the actual operation, business structure, risk control, internal control and sustainable development and other governance aspects of the Company, and to put forward working suggestions and ideas on the production, operation and sustainable governance. The Company kept a complete record of the working suggestions and opinions put forward by me in all previous meetings and surveys, timely conducted comprehensive self-inspection, steadily promoted improvements and implemented feedback.

**III. KEY CONCERNS OF WORK OF INDEPENDENT DIRECTORS FOR THE YEAR****(i) Related transactions**

During the reporting period, I discharged my duties conscientiously for the control and daily management of the related transactions of the Company. I carefully reviewed and expressed prior approval opinions on the related transaction regarding the disposal of 100% equity interest in Helen Insurance Brokers Limited during the year that the procedures for considering the related transaction were in compliance with laws and regulations; that the overall transaction was in compliance with the principles of fairness, impartiality and openness; that the pricing for the transaction was fair and reasonable, and was in the interests of the Company and the shareholders as a whole, without prejudicing the interests of minority shareholders.

**(ii) Disclosure of financial information in financial and accounting reports and periodic reports and valuation reports on internal control**

During the reporting period, I carefully reviewed the financial information in the financial and accounting reports and periodic reports of the Company and held the view that the Company's financial data was true, complete, accurate, and free from fraud, malpractice and material misstatement, and there were no material accounting error adjustments, or matters involved in significant accounting judgment and resulting in audit reports of non-standard and unqualified opinions.

During the reporting period, the Company actively promoted the construction of a standardized system of enterprise internal control and established a relatively complete internal control system in strict accordance with the relevant requirements of laws and regulations such as the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardised Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》) and the Basic Standards for Internal Control of Business Enterprises. The certified public accountants engaged by the Company audited the effectiveness of the relevant internal control of the Company during the reporting period, and believed that the Company maintained an effective internal control of financial reporting in all material respects according to the Basic Standards for Internal Control of Business Enterprises and relevant regulations, and issued an audit report on the internal control.

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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In my opinion, the Company has established a complete internal control system which was effectively implemented, and maintained an effective internal control of financial reporting in all material respects according to the requirements of the standardized system of enterprise internal control and relevant regulations, no material defects in the internal control for the purpose of non-financial reporting were found, and no factors affecting the conclusion on the effectiveness evaluation of the internal control occurred. For the implementation of internal control, please refer to the “Internal Control Evaluation Report for 2022” considered and passed by the Board, and the “Internal Control Audit Report for 2022” of the Company issued by ShineWing Certified Public Accountants.

**(iii) Appointment of certified public accountants undertaking the audit of listed companies**

During the reporting period, the Proposal Regarding the Engagement of the Company’s Auditors of A Share and H Share Financial Reports and Internal Control for 2023 was successively considered and approved at the first meeting of the seventh session of the Audit Committee of the Board, the second meeting of the seventh session of the Board of Directors and the 2022 Annual General Meeting of the Company, pursuant to which the Company was approved to re-appoint ShineWing Certified Public Accountants LLP (“**ShineWing**”) as the Company’s financial reporting auditor and internal control auditor of A Shares for 2023, and re-appoint SHINEWING (HK) CPA Limited (“**SHINEWING HK**”) as the Company’s financial reporting auditor of H Shares for 2023.

The above-mentioned re-appointment of the certified public accountants has been approved by me in advance before submission to the Board for consideration. I believe that ShineWing’s and SHINEWING HK’s securities business qualifications and other aspects are in compliance with the requirements of the CSRC and the Shanghai Stock Exchange, and Hong Kong Listing Rules. ShineWing and SHINEWING HK strictly abided by professional ethics and followed the independent, objective and impartial practice standards in providing the Company with 2022 financial reporting and internal control audit services, completed various audits for 2022 and possessed the professional capability to provide financial reporting and internal control audit services for the Company. The Company’s procedures for re-appointing the certified public accountants are in compliance with the requirements of the laws, regulations and the Articles of Association, and there is no circumstance that would prejudice the interests of the Company and the Shareholders. I agreed to re-appoint ShineWing as the Company’s financial reporting auditor and internal control auditor of A Shares for 2023, and re-appoint SHINEWING HK as the Company’s financial reporting auditor of H Shares for 2023.

**(iv) Appointment and removal of directors and appointment of senior executives**

During the reporting period, the term of office of the sixth session of the Board of Directors expired and the seventh session of the Board of Directors formally assumed office on 27 February 2023 upon the approval of the first extraordinary general meeting of the Company for 2023. I attended the general meeting as a candidate for independent Director. In April 2023, the Company applied to the Hong Kong Stock Exchange for, and was granted, the approval to appoint Mr. Cai Lei, the secretary to the Board, as the company secretary of the Company, since Mr. Cai Lei has complied with the qualification requirements on a company secretary under Rule 3.28 of the Hong Kong Listing Rules. I, as the chairman of the Nomination Committee, carefully reviewed and re-examined his biographical information, and voted for the Proposal Regarding the Appointment of Mr. Cai Lei as Company Secretary of H Share at the first meeting of the seventh session of the Nomination Committee of the Board of Directors of the Company and agreed to submit the proposal to the Board for consideration.

**(v) Remuneration of directors and progress on share option incentives of the Company**

During the reporting period, the Remuneration Committee of the Board of the Company formulated the remuneration plans for Directors and Supervisors of the Company for 2023 according to the Working Rules for the Remuneration Committee of the Board of Directors and based on the scope of work, responsibilities and importance of the Directors and Supervisors of the Company and the remuneration levels of relevant positions in other relevant enterprises. The relevant resolutions were considered and approved at the first meeting of the seventh session of the Remuneration Committee of the Board and the second meeting of the seventh session of the Board of Directors. I, as a Director and a member of the Remuneration Committee, carefully reviewed the information on the resolutions and voted for them.

During the reporting period, I also reviewed the meeting files and supporting materials provided by the Company, paid attention to major matters such as adjustment to the exercise price of share option incentives, determination of grantees, measurement of relevant performance indicators, compliance of consideration procedures and exercise arrangements of the Company, and agreed to the Resolution on the Proposal on Exercise of the Share Option Incentive Scheme and Relevant Matters of the Company at the second meeting of the seventh session of the Remuneration Committee of the Board and the fifth meeting of the seventh session of the Board of Directors of the Company.

**(vi) External guarantees and misappropriation of funds**

I am of the opinion that the Company was able to strictly comply with the requirements of relevant laws and regulations, that the Company carried out the procedures for consideration, decision making and information disclosure as to external guarantees, and that the Company was not found to provide illegal guarantees to controlling shareholders and other related parties. The flow of funds between the Company and the actual controller was arising from normal business operation, and no controlling shareholders and other related parties were found to have misappropriated funds of the Company.

**(vii) Use of proceeds**

In March and August 2023, the Board considered and approved the “Special Report on the Deposit and Use of Proceeds in 2022” and the “Special Report on the Deposit and Use of Proceeds in the First Half of 2023 of the Company”, respectively. I am of the opinion that the Company has disclosed the deposit and actual use of the proceeds in a timely, true, accurate and complete manner and there is no non-compliance in the use of the proceeds and it has faithfully fulfilled its disclosure obligations regarding the investment and progress of the proceeds.

**(viii) Cash dividend distribution and investment return**

During the reporting period, the Company implemented a profit distribution plan for 2022, pursuant to which a cash dividend of RMB0.87 (inclusive of tax) for every 10 shares was distributed to all shareholders, and the total cash dividend distributed amounted to RMB1,178,607,645.84. In this regard, I reviewed and issued independent opinions that indicate explicit consent. I am of the opinion that the profit distribution plan for 2022 of the Company is in compliance with the relevant provisions of the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividends of Listed Companies and the Articles of Association, and is in line with the actual situation of the Company and is conducive to the sustainable and healthy development of the Company, there is no prejudice to the interests of the shareholders of the Company. The Company agrees to submit the profit distribution plan for 2022 of the Company to the Board and the general meeting for consideration.

**(ix) Other issues which the independent Directors considered that the Company should improve**

The Company operated in a regulated manner according to relevant laws and regulations as well as regulatory requirements for listed companies. Currently, no issues that need to be raised for improvement were found.

**IV. OVERALL ASSESSMENT AND RECOMMENDATIONS**

As an independent Director of the Company, in 2023, I firmly discharged my duties based on the principles of objectiveness, fairness and independence, and played an active role as an independent Director in strict compliance with the requirements of laws and regulations, including the Company Law, the Securities Law, the Measures on the Administration of Independent Directors of Listed Companies, the Articles of Association and the Rules for Independent Non-executive Directors, effectively safeguarding the overall interests of the Company and the legitimate rights and interests of the vast investors.

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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In 2024, I will continue to uphold the principles of prudence, seriousness and diligence to exercise the rights of an independent Director and fulfill the obligations of an independent Director in compliance with the laws and regulations, strengthen communication and cooperation with the Board, the Supervisory Committee and the management of the Company to constantly deepen my understanding of the production and operation of the Company, strengthen learning to constantly enhance my professional skills and decision-making capabilities, facilitate the scientific decisions of the Board, and make contribution to the steady operation and good performance of the Company, thus better safeguarding the legitimate rights and interests of the Company and its shareholders (especially minority shareholders).

COSCO SHIPPING Development Co., Ltd.  
Independent Director: Chan Kwok Leung  
28 March 2024



**COSCO SHIPPING Development Co., Ltd.  
2023 Work Report of the Independent Directors**

**(Cai Hongping (蔡洪平))**

On 27 February 2023, I formally retired as an independent Director of COSCO SHIPPING Development Co., Ltd. (the “Company”). As a former independent Director of the Company, during my term of office in 2023, I have diligently and faithfully discharged my duties in an attitude of being accountable to all shareholders, and objectively, cautiously and fairly expressed my prior approvals of or independent opinions on major issues of the Company in strict compliance with the relevant provisions of laws and regulations including the Company Law, the Securities Law, the Measures on the Administration of Independent Directors of Listed Companies, the Articles of Association and the Rules for Independent Non-executive Directors, safeguarding the legitimate rights and interests of the Company and its shareholders (especially minority shareholders) as a whole. I hereby present the 2023 Work Report of Independent Directors during my term of office as follows:

**I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTOR**

**(i) Personal working experience, professional background and part-time engagement**

I, Cai Hongping (蔡洪平), born in 1954, was an independent non-executive Director of the Company. I am also the chairman of AGIC Capital, an independent non-executive director of China Eastern Airlines Corporation Limited (listed on the Shanghai Stock Exchange under the stock code SH600115 and on the Stock Exchange under the stock code HK0670), an independent non-executive director of China Southern Airlines Company Limited (listed on the Shanghai Stock Exchange under the stock code SH600029 and on the Stock Exchange under the stock code HK01055), an independent non-executive director of Shanghai Pudong Development Bank Co., Ltd. (listed on the Shanghai Stock Exchange under the stock code SH600000), an independent director of BYD Company Limited (listed on the Shenzhen Stock Exchange under the stock code 002594.SZ) and a supervisor of China Merchants Bank Co., Ltd. (listed on the Shanghai Stock Exchange under the stock code SH600036 and on the Hong Kong Stock Exchange under the stock code HK3968). I worked for the Industrial and Transportation Management Committee of the Shanghai Government and Shanghai Petrochemical (Sinopec Shanghai Petrochemical Company Limited, listed on the Stock Exchange under the stock code 338, listed on the Shanghai Stock Exchange under the stock code 600688, and listed on the New York Stock Exchange under the stock code SHI) from 1987 to 1991, and participated in the entire process of the listing of the first batch of H shares of Shanghai Petrochemical in Hong Kong and the United States. From 1992 to 1996, I acted as

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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a member of the Overseas Listing Guidance Team for Chinese Enterprises under the Economic Restructuring Committee of the State Council and the chairman of the Joint Committee of Board Secretaries for H Share Companies in China. From 1996 to 1997, I was the general manager of the investment banking division of Peregrine Asia. I served as a joint director of the investment banking division of BNP Paribas Peregrine Asia from 1997 to 2006, the chairman of the investment banking division of UBS AG in Asia from 2006 to 2010, and the executive chairman of Deutsche Bank in the Asia Pacific region from 2010 to 2015. I, a Hong Kong citizen, have a bachelor's degree and graduated from Fudan University majoring in journalism.

**(ii) Statement of independence**

During the reporting period, my employment complied with the independence requirements under Article 6 of the Measures on the Administration of Independent Directors of Listed Companies and there were no circumstances under which my independence would be affected.

**II. PERFORMANCE OF DUTIES OF INDEPENDENT DIRECTORS DURING THE YEAR****(i) Attendance at Board meetings and general meetings**

During my term of office for the year, I timely attended the Board meetings organized and held by the Company according to the laws and regulations, and carefully reviewed all Board proposals. I did not entrust other independent Directors to attend the meetings. In my opinion, the procedures for convening and holding meetings of the Board of Directors of the Company followed the laws and regulations, legal and valid decision-making and approval procedures were adopted in respect of major issues, and all the resolutions made at the meetings did not prejudice the legitimate rights and interests of the Company and its shareholders (especially minority shareholders) as a whole and were favorable to the long-term development of the Company. I objectively and carefully reviewed all the proposals, prudently exercised the right to vote and voted for all Board proposals and other matters of the Company during my term of office. I did not raise objections against any proposal or cast a dissenting vote or abstention vote at the Board meetings. During my term of office in 2023, the Company convened a total of 2 Board meetings and 1 general meeting. I attended all the meetings in person.

**(ii) Performance of duties of special committees of the Board**

During my term of office in 2023, as the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee of the Board, I attended 1 Nomination Committee meeting, 1 Audit Committee meeting and 1 Remuneration Committee meeting. As the chairman of the Nomination Committee, I carefully reviewed and agreed on the matters related to the general election of the Board of Directors. As for the Audit Committee and the Remuneration Committee, I listened to the Report Regarding SHINEWING's A Share and H Share and Internal Control Integrated Audit Plan of 2022 and reviewed and agreed on the Proposal Regarding Total Amount of Remuneration of COSCO SHIPPING Development Co., Ltd. for 2022.

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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In my opinion, the procedures for convening and holding the special committee meetings of the Board of the Company during my term of office in 2023 followed the relevant laws and regulations, and the necessary approval procedures were adopted in respect of all matters. I made independent and prudent judgments on all the proposals and voted for them. There were no objections to the proposals of the special committee meetings of the Board and other matters of the Company.

**(iii) Communication with internal auditors and accounting firms**

During my term of office in 2023, I attended the meeting of the Audit Committee via video conference on 13 January, at which, the Report Regarding SHINEWING's A Share and H Share and Internal Control Integrated Audit Plan of 2022 was heard and agreed upon.

**III. KEY CONCERNS OF WORK OF INDEPENDENT DIRECTORS FOR THE YEAR**

**(i) External guarantees and misappropriation of funds**

I am of the opinion that the Company was able to strictly comply with the requirements of relevant laws and regulations, that the Company carried out the procedures for consideration, decision making and information disclosure as to external guarantees, and that the Company was not found to provide illegal guarantees to controlling shareholders and other related parties. The flow of funds between the Company and the actual controller was arising from normal business operation, and no controlling shareholders and other related parties were found to have misappropriated funds of the Company.

**(ii) Appointment and removal of Directors**

During my term of office in 2023, I attended the 71st meeting of the sixth session of the Board of the Company and expressed my independent Director's opinion on the general election of the Board of Directors in a serious and responsible manner.

**(iii) Other issues which the independent Directors considered that the Company should improve**

The Company operated in a regulated manner according to relevant laws and regulations as well as regulatory requirements for listed companies. Currently, no issues that need to be raised for improvement were found.

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**APPENDIX VI                      WORK REPORT OF INDEPENDENT DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**IV. OVERALL ASSESSMENT AND RECOMMENDATIONS**

As a former independent Director of the Company, during my term of office in 2023, I solidly discharged my duties based on the principles of objectiveness, fairness and independence, and played an active role as an independent Director in strict compliance with the requirements of laws and regulations, including the Company Law, the Securities Law, the Measures on the Administration of Independent Directors of Listed Companies, the Articles of Association and the Rules for Independent Non-executive Directors, effectively safeguarding the overall interests of the Company and the legitimate rights and interests of the vast investors.

COSCO SHIPPING Development Co., Ltd.  
Independent Director: Cai Hongping  
28 March 2024

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## NOTICE OF ANNUAL GENERAL MEETING

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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 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting for the year of 2023 (the “**AGM**”) of COSCO SHIPPING Development Co., Ltd. (the “**Company**”) will be held at 1:30 p.m. on Friday, 28 June 2024 (or at any adjournment thereof) at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the People’s Republic of China to consider and, if thought fit, pass the following resolutions. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 7 June 2024 (the “**Circular**”).

#### ORDINARY RESOLUTIONS

1. To consider and approve the report of the Board for the year ended 31 December 2023.
2. To consider and approve the report of the Supervisory Committee for the year ended 31 December 2023.
3. To consider and approve the audited financial statements and the auditors’ report of the Group for the year ended 31 December 2023.
4. To consider and approve the annual report of the Company for the year ended 31 December 2023.

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## **NOTICE OF ANNUAL GENERAL MEETING**

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### **SPECIAL RESOLUTIONS**

5. To consider and approve the Articles of Association of the Company and the relevant rules of procedure:
  - 5.1 To consider and approve the Proposed Amendments to the Articles of Association.
  - 5.2 To consider and approve the Proposed Amendments to the Rules of Procedure of the Shareholders' General Meeting.
  - 5.3 To consider and approve the Proposed Amendments to the Rules of Procedure of the Board of Directors.

### **ORDINARY RESOLUTIONS**

6. To consider and approve the Proposed Amendments to the Working Rules of Independent Non-executive Directors.
7. To consider and approve the proposed 2023 final profit distribution plan of the Company and the proposal of grant of authorization to the Board to determine details of the 2024 interim profit distribution plan:
  - 7.1 To consider and approve the proposed profit distribution plan of the Company and the proposed payment of a final dividend of RMB0.032 per share of the Company (inclusive of applicable tax) for the year ended 31 December 2023.
  - 7.2 To consider and approve the proposed grant of authorization to the Board to determine details of the 2024 interim profit distribution plan of the Company.
8. To consider and determine the remuneration of the Directors and the Supervisors for the year 2024.
  - 9.1 To re-appoint ShineWing Certified Public Accountants LLP as the Company's domestic auditor for the year of 2024, with remuneration of RMB5.28 million (inclusive of applicable tax).
  - 9.2 To re-appoint ShineWing Certified Public Accountants LLP as the Company's internal control auditor for the year of 2024, with remuneration of RMB0.92 million (inclusive of applicable tax).
  - 9.3 To appoint SHINEWING (HK) CPA Limited as the international auditor of the Company for the year of 2024, with remuneration of RMB4.96 million (inclusive of applicable tax).

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTIONS

10. To consider and approve the Provision of Guarantees, details of which are set out in the Circular;
11. To consider and approve the grant of the A Share Repurchase Mandate:

**“THAT**

The Board is authorised to repurchase A Shares with the Company’s self-raised funds during the Relevant Period with an aggregate number of A Shares not exceeding 10% of the aggregate number of A Shares in issue as at the date of consideration and approval of the resolution in relation to the grant of the A Share Repurchase Mandate at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting.

The Board is authorized to handle relevant matters in relation to the repurchase of A Shares, including but not limited to:

- (i) to formulate and implement specific repurchase plans in accordance with the Company Law and other laws and regulations, the listing rules of the place where the Shares are listed and the Articles of Association, including but not limited to determining the timing of repurchase, repurchase period, repurchase price, repurchase quantity, and purpose of repurchase etc.;
- (ii) to notify creditors and make announcements and deal with matters related to the exercise of rights by creditors (if applicable);
- (iii) to open stock account(s) and capital account(s) (if applicable);
- (iv) to handle the matters of transfer or cancellation of the repurchased Shares and reduce the Company’s registered capital (if applicable) according to the actual repurchase of A Shares;
- (v) to amend to the Articles of Association, including the contents in relation to the total share capital and share capital structure, and to complete the relevant registration and filing procedures (if applicable); and
- (vi) to adjust the repurchase plan and continue to handle matters in relation to the repurchase of A Shares in accordance with the relevant PRC regulations, requirements of government departments and securities regulatory authorities, market conditions and the actual operation of the Company in the event that there are new requirements of laws and regulations and securities regulatory authorities on repurchase policies, as well as changes in market conditions, except for matters that are subject to re-voting at the general meeting as required by the relevant laws and regulations and the Articles of Association.

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## NOTICE OF ANNUAL GENERAL MEETING

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The Board may delegate such authority to any one of the Directors.

For the purpose of the A Share Repurchase Mandate, “Relevant Period” means the period from the date of passing of the special resolution(s) in respect of the grant of the A Share Repurchase Mandate at the AGM, the A Share Class Meeting and the H Share Class Meeting until whichever is the earliest of:

- (i) the conclusion of the 2024 annual general meeting of the Company; or
- (ii) the date on which the A Share Repurchase Mandate is revoked or varied by a special resolution at any general meeting, A Shareholders’ class meeting and H Shareholders’ class meeting of the Company.”

If, during the Relevant Period, the Board or the authorised person of the Board has signed the necessary documents and handled the necessary procedures, and such documents and procedures may need to be performed, carried out or continued after the end of the Relevant Period, the Relevant Period will be extended accordingly.

12. To consider and approve the grant of the H Share Repurchase Mandate:

**“THAT**

The Board is authorised to repurchase H Shares with the Company’s self-raised funds during the Relevant Period with an aggregate number of H Shares not exceeding 10% of the aggregate number of H Shares in issue as at the date of consideration and approval of the resolution in relation to the grant of the H Share Repurchase Mandate at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting.

The Board is authorised to deal with matters relating to the repurchase of H Shares, including but not limited to:

- (i) to formulate and implement specific repurchase plans in accordance with the Company Law and other laws and regulations, the listing rules of the place where the Shares are listed and the Articles of Association, including but not limited to determining the timing of repurchase, repurchase period, repurchase price, repurchase quantity, repurchase purpose etc.;
- (ii) to notify creditors and make announcements and handle matters related to the exercise of creditors’ rights (if applicable);
- (iii) to open stock accounts and capital accounts and handle the corresponding foreign exchange change registration procedures (if applicable);



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## NOTICE OF ANNUAL GENERAL MEETING

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- (iv) upon completion of the H Share repurchase, to cancel the repurchased H Shares and to reduce the Company's registered capital accordingly;
- (v) to amend to the Articles of Association, including the contents in relation to the total share capital and share capital structure, and to complete the relevant registration and filing procedures (if applicable); and
- (vi) to adjust the repurchase plan and continue to handle matters in relation to the repurchase of H Shares in accordance with the relevant PRC regulations, requirements of government departments and securities regulatory authorities, market conditions and the actual operation of the Company in the event that there are new requirements of laws and regulations and securities regulatory authorities on repurchase policies, as well as changes in market conditions, except for matters that are subject to re-voting at the general meeting as required by the relevant laws and regulations and the Articles of Association.

The Board may delegate such authority to any one of the Directors.

For the purpose of the H Share Repurchase Mandate, the "Relevant Period" means the period from the date of passing of the special resolution in relation to the grant of the H Share Repurchase Mandate at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting until whichever is the earliest of:

- (i) the conclusion of the 2024 annual general meeting of the Company; or
- (ii) the date on which the H Share Repurchase Mandate is revoked or varied by a special resolution at any general meeting, A Shareholders' class meeting and H Shareholders' class meeting of the Company."

If, during the Relevant Period, the Board or the authorised person of the Board has signed the necessary documents and handled the necessary procedures, and such documents and procedures may need to be performed, carried out or continued after the end of the Relevant Period, the Relevant Period will be extended accordingly.

### REVIEW OF REPORT

1. To review the work report of the independent non-executive Directors for the year ended 31 December 2023.

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

Shanghai, the People's Republic of China  
7 June 2024

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. The Register of Members will be closed during the following periods and during these periods, no transfer of H Shares will be registered.

- (a) To attend and vote at the AGM

For the purpose of holding the AGM, the Register of Members will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024 (both days inclusive), during which period no transfer of H Shares will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on Monday, 24 June 2024 are entitled to attend and vote at the AGM.

In order to attend and vote at the AGM, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 24 June 2024.

- (b) To qualify for the proposed final dividend for the year ended 31 December 2023

For the purpose of determining the H Shareholders' entitlement to the proposed final dividend for the year ended 31 December 2023, the Register of Members will be closed from Wednesday, 10 July 2024 to Monday, 15 July 2024 (both days inclusive), during which period no transfer of H Shares will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on Tuesday, 9 July 2024 are entitled to receive the proposed final dividend.

In order to qualify for the proposed final dividend, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 9 July 2024.

2. Each H Shareholder who has the right to attend and vote at the AGM 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 AGM.
3. 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.
4. 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 AGM or any adjournment thereof in order for such documents to be valid.
5. If a proxy attends the AGM 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 AGM, 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. The form of proxy duly signed and submitted by HKSCC Nominees Limited are deemed to be valid, and it is not necessary for the proxy(ies) appointed by HKSCC Nominees Limited to produce the signed form of proxy when the proxy(ies) attend(s) the AGM. Completion and return of the form of proxy will not preclude a Shareholder from attending in person and voting at the AGM or any adjournment thereof should he/she so wish.
6. Pursuant to the Hong Kong 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 AGM will be voted on by poll. Results of the poll voting will be published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) after the AGM.

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## NOTICE OF ANNUAL GENERAL MEETING

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7. 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 AGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto.
8. The AGM is estimated to last for half a day. Shareholders who attend the AGM in person or by proxy shall bear their own transportation and accommodation expenses.

*The Board as at the date of this notice comprises Mr. Zhang Mingwen (Chairman), being executive Director, Mr. Huang Jian, Mr. Liang Yanfeng and Mr. Ip Sing Chi, being non-executive Directors, and Mr. Lu Jianzhong, Ms. Zhang Weihua, Mr. Shao Ruiqing and Mr. Chan Kwok Leung, 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.”.*

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## NOTICE OF H SHARE CLASS MEETING

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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 H SHAREHOLDERS' CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the class meeting for holders of H shares (the “**H Shareholders’ Class Meeting**”) of COSCO SHIPPING Development Co., Ltd. (the “**Company**”) will be held on Friday, 28 June 2024 immediately after the class meeting for holders of A shares of the Company to be convened and held on the same day and at the same place, which will be held immediately after the AGM of the Company to be convened at 1:30 p.m. at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC on the same day and at the same place for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution of the Company.

Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 7 June 2024 (the “**Circular**”).

### SPECIAL RESOLUTIONS

1. To consider and approve the grant of the A Share Repurchase Mandate:

**“THAT**

The Board is authorised to repurchase A Shares with the Company’s self-raised funds during the Relevant Period with an aggregate number of A Shares not exceeding 10% of the aggregate number of A Shares in issue as at the date of consideration and approval of the resolution in relation to the grant of the A Share Repurchase Mandate at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting.

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## NOTICE OF H SHARE CLASS MEETING

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The Board is authorized to handle relevant matters in relation to the repurchase of A Shares, including but not limited to:

- (i) to formulate and implement specific repurchase plans in accordance with the Company Law and other laws and regulations, the listing rules of the place where the Shares are listed and the Articles of Association, including but not limited to determining the timing of repurchase, repurchase period, repurchase price, repurchase quantity, and purpose of repurchase etc.;
- (ii) to notify creditors and make announcements and deal with matters related to the exercise of rights by creditors (if applicable);
- (iii) to open stock account(s) and capital account(s) (if applicable);
- (iv) to handle the matters of transfer or cancellation of the repurchased Shares and reduce the Company's registered capital (if applicable) according to the actual repurchase of A Shares;
- (v) to amend to the Articles of Association, including the contents in relation to the total share capital and share capital structure, and to complete the relevant registration and filing procedures (if applicable); and
- (vi) to adjust the repurchase plan and continue to handle matters in relation to the repurchase of A Shares in accordance with the relevant PRC regulations, requirements of government departments and securities regulatory authorities, market conditions and the actual operation of the Company in the event that there are new requirements of laws and regulations and securities regulatory authorities on repurchase policies, as well as changes in market conditions, except for matters that are subject to re-voting at the general meeting as required by the relevant laws and regulations and the Articles of Association.

The Board may delegate such authority to any one of the Directors.

For the purpose of the A Share Repurchase Mandate, "Relevant Period" means the period from the date of passing of the special resolution(s) in respect of the grant of the A Share Repurchase Mandate at the AGM, the A Share Class Meeting and the H Share Class Meeting until whichever is the earliest of:

- (i) the conclusion of the 2024 annual general meeting of the Company; or
- (ii) the date on which the A Share Repurchase Mandate is revoked or varied by a special resolution at any general meeting, A Shareholders' class meeting and H Shareholders' class meeting of the Company."

If, during the Relevant Period, the Board or the authorised person of the Board has signed the necessary documents and handled the necessary procedures, and such documents and procedures may need to be performed, carried out or continued after the end of the Relevant Period, the Relevant Period will be extended accordingly.

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## NOTICE OF H SHARE CLASS MEETING

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2. To consider and approve the grant of the H Share Repurchase Mandate:

**“THAT**

The Board is authorised to repurchase H Shares with the Company’s self-raised funds during the Relevant Period with an aggregate number of H Shares not exceeding 10% of the aggregate number of H Shares in issue as at the date of consideration and approval of the resolution in relation to the grant of the H Share Repurchase Mandate at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting.

The Board is authorised to deal with matters relating to the repurchase of H Shares, including but not limited to:

- (i) to formulate and implement specific repurchase plans in accordance with the Company Law and other laws and regulations, the listing rules of the place where the Shares are listed and the Articles of Association, including but not limited to determining the timing of repurchase, repurchase period, repurchase price, repurchase quantity, repurchase purpose etc.;
- (ii) to notify creditors and make announcements and handle matters related to the exercise of creditors’ rights (if applicable);
- (iii) to open stock accounts and capital accounts and handle the corresponding foreign exchange change registration procedures (if applicable);
- (iv) upon completion of the H Share repurchase, to cancel the repurchased H Shares and to reduce the Company’s registered capital accordingly;
- (v) to amend to the Articles of Association, including the contents in relation to the total share capital and share capital structure, and to complete the relevant registration and filing procedures (if applicable); and
- (vi) to adjust the repurchase plan and continue to handle matters in relation to the repurchase of H Shares in accordance with the relevant PRC regulations, requirements of government departments and securities regulatory authorities, market conditions and the actual operation of the Company in the event that there are new requirements of laws and regulations and securities regulatory authorities on repurchase policies, as well as changes in market conditions, except for matters that are subject to re-voting at the general meeting as required by the relevant laws and regulations and the Articles of Association.

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## NOTICE OF H SHARE CLASS MEETING

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The Board may delegate such authority to any one of the Directors.

For the purpose of the H Share Repurchase Mandate, the “Relevant Period” means the period from the date of passing of the special resolution in relation to the grant of the H Share Repurchase Mandate at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting until whichever is the earliest of:

- (i) the conclusion of the 2024 annual general meeting of the Company; or
- (ii) the date on which the H Share Repurchase Mandate is revoked or varied by a special resolution at any general meeting, A Shareholders’ class meeting and H Shareholders’ class meeting of the Company.”

If, during the Relevant Period, the Board or the authorised person of the Board has signed the necessary documents, completed the necessary formalities, and such documents, formalities may need to be performed, carried out or continued after the end of the Relevant Period, the Relevant Period will be extended accordingly.

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

Shanghai, the People’s Republic of China  
7 June 2024

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## NOTICE OF H SHARE CLASS MEETING

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*Notes:*

1. The Register of Members will be closed during the following periods and during these periods, no transfer of H Shares will be registered.

- (a) To attend and vote at the H Shareholders' Class Meeting

For the purpose of holding the H Shareholders' Class Meeting, the Register of Members will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024 (both days inclusive), during which period no transfer of H Shares will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on Monday, 24 June 2024 are entitled to attend and vote at the H Shareholders' Class Meeting.

In order to attend and vote at the H Shareholders' Class Meeting, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 24 June 2024.

- (b) To qualify for the proposed final dividend for the year ended 31 December 2023

For the purpose of determining the H Shareholders' entitlement to the proposed final dividend for the year ended 31 December 2023, the Register of Members will be closed from Wednesday, 10 July 2024 to Monday, 15 July 2024 (both days inclusive), during which period no transfer of H Shares will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on Tuesday, 9 July 2024 are entitled to receive the proposed final dividend.

In order to qualify for the proposed final dividend, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 9 July 2024.

2. Each H Shareholder who has the right to attend and vote at the H Shareholders' Class Meeting 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 H Shareholders' Class Meeting.
3. 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.
4. 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 H Shareholders' Class Meeting or any adjournment thereof in order for such documents to be valid.
5. If a proxy attends the H Shareholders' Class Meeting 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 H Shareholders' Class Meeting, 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. The form of proxy duly signed and submitted by HKSCC Nominees Limited are deemed to be valid, and it is not necessary for the proxy(ies) appointed by HKSCC Nominees Limited to produce the signed form of proxy when the proxy(ies) attend(s) the H Shareholders' Class Meeting. Completion and return of the form of proxy will not preclude a Shareholder from attending in person and voting at the H Shareholders' Class Meeting or any adjournment thereof should he/she so wish.



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## NOTICE OF H SHARE CLASS MEETING

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6. Pursuant to the Hong Kong 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 H Shareholders' Class Meeting will be voted on by poll. Results of the poll voting will be published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) after the H Shareholders' Class Meeting.
7. 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 H Shareholders' Class Meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto.
8. The H Shareholders' Class Meeting is estimated to last for half a day. Shareholders who attend the H Shareholders' Class Meeting in person or by proxy shall bear their own transportation and accommodation expenses.

*The Board as at the date of this notice comprises Mr. Zhang Mingwen (Chairman), being executive Director, Mr. Huang Jian, Mr. Liang Yanfeng and Mr. Ip Sing Chi, being non-executive Directors, and Mr. Lu Jianzhong, Ms. Zhang Weihua, Mr. Shao Ruiqing and Mr. Chan Kwok Leung, 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."*