



中遠海運國際(香港)有限公司

COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

(於百慕達註冊成立的有限公司)

(Incorporated in Bermuda with limited liability)

September 3, 2020

Ronald Chan, Chief Investment Officer
Evan Ng, Senior Investment Analyst
Chartwell Capital Limited

Dear Mr. Chan and Mr. Ng

Thank you for your letter. Your continuous trust in COSCO Shipping International is greatly appreciated. We highly value your opinions, which help to facilitate future strategic direction.

I would like to take this opportunity to address the concerns you raised. As a result of the current pandemic and personnel changes, the management regrettably admits that we have been a little distracted, and we are now working towards making good use of the company's resources.

We have always believed in the reinvestment of profits to facilitate the sustainable development of the company. As a result, the company has been on the lookout for suitable projects for further growth and better returns for our shareholders. However, this year we have felt the pressure and constraints of the pandemic and China-US tensions. As we have to comply with the listing rule in concern with any leakage of insider information, we are unable to commit to your suggested 12-18 month timeframe in deploying capital.

May I also reiterate that we truly appreciate the support of our investors and the importance of shareholder value. Therefore, in recent years the company has been maintaining stable yet gradually increasing dividend distribution. In particular, the pay-out ratio in recent years have been maintained at around 75%. We believe that a sustainable and stable pay-out would provide more benefits to our shareholders as compared to a one-off distribution.

In addition, we and our parent company will put more efforts into unlocking the intrinsic value of the company. You may have noticed that the parent company recently increased its stake in us. With our open attitude on how to leverage the most from the capital market. In addition to the increase in the parent's stake, we are open to other means such as special dividend and repurchases in the future.



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Concerning privatization, we will not decline any possibility. It has not gone unnoticed that many state-owned enterprises are privatizing in the Hong Kong market. This would only be a plausible option should our market value continue to be undervalued in the long run in the absence of a clear direction for future development.

As the management of the company, we always strive to seek opportunities to transform and optimize through our own efforts to become stronger and bigger and thereby reward our investors with higher profitability. This is a win-win solution for the company and investors.

We ask for your patience so that we can bring more good news to investors in the future. Finally, thank you again for your concern and support for COSCO Shipping International, I also look forward to more face-to-face communication.

Sincerely,

Zhu Jianhui

Chairman and Managing Director

COSCO SHIPPING International (Hong Kong) Co., Ltd