THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in **COSCO SHIPPING Holdings Co., Ltd.**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

中遠海運控股股份有限公司

COSCO SHIPPING Holdings Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1919)

(1) PROPOSED ELECTION OF EXECUTIVE DIRECTOR (2) DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION (3) PROPOSED PROVISION OF EXTENDED FINANCIAL ASSISTANCE (4) PROPOSED CHANGE OF INTERNATIONAL AUDITOR (5) PROPOSED IMPLEMENTATION OF THE A SHARES REPURCHASE PLAN AND (6) NOTICE OF EGM

Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

Capitalized terms used in this cover page have the same meanings as those defined in the section headed "Definitions" in this circular.

A notice convening the EGM on Wednesday, 13 November 2024 at 2:30 p.m. at Conference Room, 47th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong and Ocean Hall, 5th Floor, Shanghai Ocean Hotel, No. 1171, Dong Da Ming Road, Shanghai, the PRC, together with the form of proxy, were despatched to the Shareholders on Tuesday, 29 October 2024.

Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed forms of proxy in accordance with the instructions printed thereon. The forms of proxy should be returned to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the EGM or any adjournment thereof. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof should you so wish.

* *For identification purpose only*

29 October 2024

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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 Shares Repurchase Plan"	the proposed plan to repurchase A Shares pursuant to the Resolution on the Shares Repurchase Plan of COSCO SHIPPING Holdings with Special Loans Provided by Bank(s) and Own Funds (《關於中遠海控以銀行專項貸款及自有資金回購公司股份方案的議案》), the further details of which are set out in the section headed "F. PROPOSED IMPLEMENTATION OF THE A SHARES REPURCHASE PLAN — 2. A Shares Repurchase Plan" in this circular
"Articles of Association"	the articles of association of the Company as amended, revised or supplemented from time to time
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"Company"	COSCO SHIPPING Holdings Co., Ltd.* (中遠海運控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1919) and the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601919)
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"COSCO Group"	China Ocean Shipping Co., Ltd. (中國遠洋運輸有限公司), a PRC State-owned enterprise, a direct controlling shareholder of the Company, and a wholly-owned subsidiary of COSCO SHIPPING

"COSCO MERCURY Buyer"	COSCO (CAYMAN) Mercury Co., Ltd., a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company, or its nominee(s)
"COSCO MERCURY Shipbuilding Contracts"	the twelve shipbuilding contracts all dated 29 August 2024 entered into between the COSCO MERCURY Buyer and Yangzhou Heavy Industry, each of which contains substantially the same terms, and corresponds to one COSCO MERCURY Vessel
"COSCO MERCURY Shipbuilding Transactions"	the transactions contemplated under the COSCO MERCURY Shipbuilding Contracts
"COSCO MERCURY Vessels"	twelve units of 13,700 TEU methanol dual-fuel container vessels (with their size and technical specifications are of 14,000 TEU vessels) which will be constructed under the COSCO MERCURY Shipbuilding Contracts, and "Vessel" means any of them
"COSCO SHIPPING"	China COSCO SHIPPING Corporation Limited* (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"	COSCO SHIPPING Development Co., Ltd.* (中遠海運發展股份有限公司), a joint stock company with limited liability established in the PRC, the H shares and A shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2866) and the Shanghai Stock Exchange (Stock Code: 601866), respectively
"COSCO SHIPPING Lines"	COSCO SHIPPING Lines Co. Ltd. (中遠海運集裝箱運輸有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
"COSCO SHIPPING Ports"	COSCO SHIPPING Ports Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1199), and a non-wholly owned subsidiary of the Company
"COSCO SHIPPING Ports (Rotterdam)"	COSCO SHIPPING Ports (Rotterdam) Limited, a company incorporated in Hong Kong with limited liability, and a subsidiary of COSCO SHIPPING Ports

"Director(s)"	the director(s) of the Company
"EGM"	the 2024 first extraordinary general meeting to be held by the Company to consider and if thought fit, approve (among other things) the proposed election of executive Director, the COSCO MERCURY Shipbuilding Transactions, the proposed Provision of Extended Financial Assistance, the proposed change of international auditor of the Company, and the proposed implementation of the A Shares Repurchase Plan
"EUR"	Euro, the currency of the Eurozone
"EUROMAX Terminal"	Euromax Terminal Rotterdam B.V., a company incorporated in the Netherlands with limited liability
"Europe Container Terminals"	Europe Container Terminals B.V., a company incorporated in the Netherlands with limited liability
"Group"	the Company and its subsidiaries
"H Share(s)"	the overseas listed foreign shares in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on Main Board of the Stock Exchange
"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 People's Republic of China
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Independent Board Committee"	an independent board committee comprising all the independent non-executive Directors, who have no material interests in the COSCO MERCURY Shipbuilding Transactions

"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the COSCO MERCURY Shipbuilding Transactions
"Independent Shareholders"	the Shareholders other than COSCO SHIPPING and its associates
"Latest Practicable Date"	25 October 2024, being the latest practicable date for ascertaining certain information in this circular before its publication
"PRC"	the People's Republic of China
"Provision of Extended Financial Assistance"	the provision of extended loan of EUR84 million to EUROMAX Terminal by COSCO SHIPPING Ports (Rotterdam) pursuant to the Supplemental Loan Agreement, for a term commencing from the date COSCO SHIPPING Ports (Rotterdam) serves a notification on the satisfaction of the relevant conditions thereof to other parties to the Supplemental Loan Agreement and up to 18 June 2029, at a floating interest rate of Euribor+2.0%
"PwC"	PricewaterhouseCoopers
"RMB"	Renminbi yuan, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai Listing Rules"	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
"Shareholder(s)"	holder(s) of the share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Supervisor(s)"	the supervisor(s) of the Company

"Supplemental Loan Agreement"	the supplemental loan agreement dated 29 August 2024 entered into between COSCO SHIPPING Ports (Rotterdam), Europe Container Terminals and EUROMAX Terminals relating to, among others, the Provision of Extended Financial Assistance, the further details of which are contained in the announcement of the Company dated 29 August 2024
"SW Hong Kong"	SHINEWING (HK) CPA Limited
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong
"TEU"	twenty-foot equivalent container unit
"US$"	United States dollars, the lawful currency of the United States of America
"Yangzhou Heavy Industry"	Cosco Shipping Heavy Industry (Yangzhou) Co., Ltd. (揚州中遠海運重工有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of COSCO SHIPPING
"2024 International Auditor"	the international auditor of the Company for 2024
"%"	per cent

Unless otherwise specified, the exchange rates used for reference purpose in this circular are US$1.00 to RMB7.1216; US$1.00 to HK$7.80; EUR1.00 to RMB7.9616; and HK$1.00 to RMB0.91278 (being the exchange rate announced by the China Foreign Exchange Trade System as authorized by the People's Bank of China on 28 August 2024 or converted based on aforesaid exchange rate).

* *for identification purposes only*

中遠海運控股股份有限公司
COSCO SHIPPING Holdings Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1919)

Directors:
Mr. WAN Min[1] *(Chairman)*
Mr. CHEN Yangfan[1] *(Vice Chairman)*
Mr. TAO Weidong[1]
Mr. YU De[2]
Prof. MA Si-hang Federick[3]
Mr. SHEN Dou[3]
Ms. HAI Chi-yuet[3]

Registered Office:
2nd Floor, 12 Yuanhang Business Centre
Central Boulevard and
East Seven Road Junction
Tianjin Pilot Free Trade Zone
(Airport Economic Area)
Tianjin, the PRC

Principal Place of Business:
48/F, COSCO Tower
183 Queen's Road Central
Hong Kong

1 *Executive Director*

2 *Non-executive Director*

3 *Independent Non-executive Director*

29 October 2024

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED ELECTION OF EXECUTIVE DIRECTOR
(2) DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION
(3) PROPOSED PROVISION OF EXTENDED FINANCIAL ASSISTANCE
(4) PROPOSED CHANGE OF INTERNATIONAL AUDITOR
(5) PROPOSED IMPLEMENTATION OF THE A SHARES REPURCHASE PLAN
AND
(6) NOTICE OF EGM

A. INTRODUCTION

References are made to the announcement dated 21 June 2024 in relation to the proposed election of executive Director, the announcement dated 29 August 2024 in relation to the discloseable transaction and connected transaction regarding the construction of twelve units of 14,000 TEU methanol dual-fuel container vessels, the announcement dated 29 August 2024 in relation to the Provision of Extended Financial Assistance, the announcement dated 18 October 2024 in relation to the proposed change of international auditor of the Company, and the voluntary announcement dated 18 October 2024 in relation to, among others, the A Shares Repurchase Plan.

The purpose of this circular is, among other things, to provide you with information in relation to certain resolutions to be proposed at the EGM to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the EGM.

B. PROPOSED ELECTION OF EXECUTIVE DIRECTOR

On 21 June 2024, Mr. ZHU Tao ("**Mr. ZHU**") has been proposed by the Board to be elected as an executive Director. According to the Articles of Association, the election of Directors is subject to the approval of the Shareholders at a general meeting of the Company. An ordinary resolution in relation to the election of Mr. ZHU as an executive Director will be proposed at the EGM for the Shareholders' consideration.

The biographical details of Mr. ZHU are set out as follows:

Mr. ZHU, aged 51, is currently the deputy general manager of the Company. He is also currently the chairman of the board of directors, an executive director, the managing director, the chairman of the executive committee, the investment and strategic planning committee and the risk management committee, and a member of the nomination committee, the remuneration committee and the ESG committee of COSCO SHIPPING Ports (a non-wholly owned subsidiary of the Company). He is also a non-executive director of Qingdao Port International Co., Ltd. (a company listed on the Stock Exchange (Stock Code: 06198) and the Shanghai Stock Exchange (Stock Code: 601298)). Mr. ZHU started his career in 1995 and previously served as a deputy business manager and the business manager of the dispatching division of the liner department of COSCO Container Lines Co., Ltd. ("**COSCO Container Lines**", currently known as COSCO SHIPPING Lines), a deputy head of the business division of the coastal transportation department of COSCO Container Lines, the manager of the East and South China operating department of the Sino-Japan trade division of COSCO Container Lines, a deputy general manager and the chairman of the labour union of Shanghai PANASIA Shipping Co., Ltd., a deputy general manager of Americas trading division of COSCO Container Lines, the general manager of COSCO Container Lines (Netherlands) B.V., the supervisor of the general manager's office of COSCO Container Lines, the general manager and a deputy party secretary of Shanghai PANASIA Shipping Co., Ltd., and a deputy general manager and a member of the party committee of COSCO SHIPPING Lines Co., Ltd., etc. Mr. ZHU graduated from Shanghai Jiao Tong University with a master's degree in business administration. He is an economist.

A service contract is proposed to be entered into between Mr. ZHU and the Company. Mr. ZHU will not receive any remuneration from the Company for being an executive Director, but the expenses incurred in connection with his discharge of his duties as an executive Director will be borne by the Company. Mr. ZHU is proposed to be appointed for a term commencing from the date of passing of the relevant resolution at the general meeting, and ending on the expiration of the term of the seventh session of the Board and will be subject to retirement and re-election at the general meeting of the Company in accordance with the Articles of Association.

As at the Latest Practicable Date, Mr. ZHU held 222,179 A share options under the A share option incentive scheme of the Company, and was the beneficial owner of 8,000 shares of COSCO SHIPPING Ports, 65,000 H shares and 108,100 A shares of COSCO SHIPPING Development (a holding subsidiary of COSCO SHIPPING and a company listed on the Stock Exchange (Stock Code: 02866) and the Shanghai Stock Exchange (Stock Code: 601866)) and 12,900 shares of Hainan Strait Shipping Co., Ltd. (a holding subsidiary of COSCO SHIPPING and a company listed on the Shenzhen Stock Exchange (Stock Code: 002320)).

Save as disclosed above, Mr. ZHU (i) does not hold any position with any other member of the Group; (ii) does not have any relationship with any Directors, senior management of the Company, substantial Shareholders or controlling Shareholders; (iii) has not held any directorship in any other listed companies in the past three years; and (iv) does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, there is no other information relating to Mr. ZHU that is required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules and no other matter in relation to his proposed appointment that needs to be brought to the attention of the Shareholders.

C. DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION REGARDING CONSTRUCTION OF TWELVE UNITS OF 14,000 TEU METHANOL DUAL-FUEL CONTAINER VESSELS

1. COSCO MERCURY Shipbuilding Transactions

On 29 August 2024, the COSCO MERCURY Buyer, as the buyer, entered into twelve COSCO MERCURY Shipbuilding Contracts on substantially the same terms with Yangzhou Heavy Industry, as the builder, for the construction of twelve units of the COSCO MERCURY Vessels for a consideration of US$179.5 million (equivalent to approximately RMB1,278.3 million; equivalent to approximately HK$1,400 million) for each Vessel and for an aggregate consideration of US$2,154 million (equivalent to approximately RMB15,339.9 million; equivalent to approximately HK$16,800 million) for all twelve Vessels.

Contract Terms

The consideration for each of the COSCO MERCURY Vessels was determined based on the Group's requirements on price, technical capability and delivery schedule. Through conducting price inquiries with major shipbuilders (including independent third-party shipbuilders) capable of building and delivering large container vessels of 14,000 TEU and above which had relevant shipbuilding capacity, the Group obtained competitive prices from at least three shipbuilders and evaluated their vessel delivery schedule, technical competency, shipbuilding quality, and previous cooperation relationship with the Group (if any). Upon comprehensive evaluation, Yangzhou Heavy Industry has comprehensive advantages over other shipbuilders (including independent third-party shipbuilders), including in terms of vessel delivery schedule and transaction consideration. After the counter-offer and upon the confirmation from Yangzhou Heavy

Industry, the Group ultimately selected Yangzhou Heavy Industry as the builder for the construction of the Vessels. In addition, Yangzhou Heavy Industry is a builder of the Group's vessels which are currently under construction, and therefore is more familiar with the various requirements of the Group for construction of new vessels. The terms of the COSCO MERCURY Shipbuilding Contracts (including the consideration for each of the COSCO MERCURY Vessels) were determined on an arm's length basis and on normal commercial terms.

The COSCO MERCURY Buyer shall pay the transaction consideration for each Vessel of US$179.5 million in cash in five instalments based on progress intervals on the construction of each COSCO MERCURY Vessel, payable in US$ or in equivalent RMB. The third and fourth installments accounted for a smaller proportion of the contract price payable, while the first, second and fifth installments accounted for a larger proportion of the contract price payables (of which the fifth installment accounted for the largest proportion).

The COSCO MERCURY Vessels are expected to be delivered between May 2027 and March 2029, subject to the arrangements of delay in delivery as agreed in the COSCO MERCURY Shipbuilding Contracts.

In case of delay in delivery, Yangzhou Heavy Industry shall deduct the liquidated damages from the 5th installment of the consideration of the COSCO MERCURY Shipbuilding Contracts (the exact amount of which shall be assessed based on the extent of delay from the original delivery date pursuant to the COSCO MERCURY Shipbuilding Contracts and the maximum amount of which shall be US$7.35 million for the first-made Vessel and US$8.82 million for each of the remaining Vessels) and, accordingly, the 5th installment shall be paid on a net basis (i.e. after deducting the aforementioned liquidated damages payable by Yangzhou Heavy Industry).

If under extreme circumstances where Yangzhou Heavy Industry fails to conform to the following technical specifications in the construction of the COSCO MERCURY Vessels as prescribed under the COSCO MERCURY Shipbuilding Contracts (which had not occurred in respect of vessels constructed and delivered by Yangzhou Heavy Industry to the Group as of the Latest Practicable Date), Yangzhou Heavy Industry shall deduct the liquidated damages from the 5th installment of the consideration of the COSCO MERCURY Shipbuilding Contracts (the exact amount of which shall be assessed based on the extent of deviation from the relevant technical specifications as prescribed under the COSCO MERCURY Shipbuilding Contracts and the aggregate maximum amount of which shall be US$9.04 million for each of the Vessels) and, accordingly, the 5th installment shall be paid on a net basis (i.e. after deducting the aforementioned liquidated damages payable by Yangzhou Heavy Industry):

(a) insufficient speed: deviation of the actual speed of the COSCO MERCURY Vessel (as determined by trial run) from the guaranteed speed in excess of the agreed permissible range (in terms of knot(s));

(b) excessive fuel consumption: deviation of the actual fuel consumption (as determined by shop trial) of the main engine of the COSCO MERCURY Vessel from the guaranteed fuel consumption in excess of the agreed permissible range (in terms of percentage(s));

(c) deadweight: deviation of the actual deadweight of the COSCO MERCURY Vessel from the guaranteed deadweight in excess of the agreed permissible range (in terms of metric ton(s));

(d) container's capacity: deficiency in the number of container in excess of the agreed permissible range (in terms of TEU container(s)); and

(e) insufficient number of 14 ton container loading: deficiency in the number of 14 ton container loading in excess of the agreed permissible range (in terms of TEU container(s)).

The COSCO MERCURY Buyer may elect to revoke or terminate the COSCO MERCURY Shipbuilding Contracts in the event of delayed delivery of the COSCO MERCURY Vessels by Yangzhou Heavy Industry or failure of Yangzhou Heavy Industry to conform to the aforementioned technical specifications in the construction of the COSCO MERCURY Vessels as prescribed under the COSCO MERCURY Shipbuilding Contracts. In the event that any of the COSCO MERCURY Shipbuilding Contracts is revoked or terminated by the COSCO MERCURY Buyer in accordance with the specific terms thereof, Yangzhou Heavy Industry shall refund to the COSCO MERCURY Buyer in US$ the full amount already paid by the COSCO MERCURY Buyer to Yangzhou Heavy Industry, together with interest incurred thereof (the exact amount of which shall be determined based on the agreed interest rate on the amount required to be refunded as computed from the date when such sum is received by Yangzhou Heavy Industry in accordance with the terms under the COSCO MERCURY Shipbuilding Contracts).

The COSCO MERCURY Shipbuilding Transactions are conditional upon such transactions being approved by the Independent Shareholders at the EGM.

Source of Funds

The COSCO MERCURY Buyer shall finance not less than 40% of the total transaction consideration with its own funds, and settle the balance of the transaction consideration through bank loans.

2. Reasons for and Benefits of COSCO MERCURY Shipbuilding Transactions

The transactions serve as important measure for the Company to follow the new industry development trend of green, low-carbon and smart shipping and actively promote the construction of its green and low-carbon fleet. The Company plans to steadily increase the proportion of new and clean energy powered vessels by combining construction of new vessels with upgrading of existing ones, which will reduce the environmental and ecological impact of our daily operations and support long-term sustainable development.

Additionally, the transactions will enable the Company's fleet capacity to remain in the top-tier of the container shipping industry. The transactions will further optimize the structure of its fleet, which will be in line with the Group's long-term development strategy. The Vessels under construction are 14,000 TEU high-cold plug-in container ships, which offer enhanced navigational performance and are well-suited for a wide range of routes, which could better meet the increasingly diverse transportation needs of our customers.

There are certain risks associated with the COSCO MERCURY Shipbuilding Transactions, mainly including (i) risk of imbalance between supply and demand of container shipping industry and (ii) market volatility risk which may affect the prices of shipping services and therefore the level of return that could be realized from the COSCO MERCURY Vessels. However, the Company is of the view that the level of risks incurred by the Group as a result of the COSCO MERCURY Shipbuilding Transactions would be no higher than that in a shipbuilding transaction entered into with an independent third-party shipbuilder. Furthermore, the Company will implement corresponding internal control and risk management measures to monitor and effectively reduce or avoid the negative impact of the aforementioned risk (being risk factors that are mainly driven by macro-economic conditions and the operation of the global container shipping market), including that (i) the risk control committee of the Board shall conduct regular risk identification and analysis in respect of the COSCO MERCURY Shipbuilding Transactions and shall report to the Board its findings and provide corresponding suggestions for consideration and implementation; and (ii) the supervisory committee of the Company shall supervise the implementation of the aforementioned internal control policies by the Board. Based on the above, the Company is of the view that the COSCO MERCURY Shipbuilding Transactions will not result in any material negative impact on the financial conditions and operations of the Group as a whole.

After taking into account various factors as described above and considering that (i) Yangzhou Heavy Industry has been well-recognized for its manufacturing process and quality control, which is crucial to the performance of the COSCO MERCURY Vessels, (ii) the vessel delivery schedule offered by Yangzhou Heavy Industry fits with the strategic plan of the Group, (iii) the Group has previously engaged Yangzhou Heavy Industry in other shipbuilding transactions and therefore collaboration with the same shipbuilder is expected to provide synergy in vessel construction and (iv) the consideration offered by Yangzhou Heavy Industry is comparable to those offered by other shipbuilders (including independent third-party shipbuilders) during the price inquiries conducted by the Group, the Directors believe that the terms of the COSCO MERCURY Shipbuilding Transactions are fair and reasonable, on the normal commercial terms, and in the interest of the Company and the Shareholders as a whole.

3. Information on the Parties

(1) Information on the Group

The Company was established in the PRC on 3 March 2005. The Group provides a wide range of container shipping and terminal services covering the whole shipping value chain for both international and domestic customers.

(2) Information on COSCO MERCURY Buyer

COSCO MERCURY is a company incorporated in the Cayman Islands with limited liability and is a wholly-owned subsidiary of COSCO SHIPPING Lines. It is principally engaged in financing, shipbuilding and leasing in respect of container vessels.

(3) Information on COSCO SHIPPING Lines

COSCO SHIPPING Lines is a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in container shipping.

(4) Information on Yangzhou Heavy Industry

Yangzhou Heavy Industry, an indirect wholly-owned subsidiary of COSCO SHIPPING, is established in the PRC with limited liability and is principally engaged in the business of float installation and ship designing and manufacturing. To the best of the Directors' knowledge, information and belief, the scope of business of COSCO SHIPPING includes international shipping, ancillary business in international maritime transportation, import and export of goods and technologies, international freight agency business, leasing of self-owned vessels, sale of vessels, containers and steel, and maritime engineering.

4. Hong Kong Listing Rules Implications

As at the Latest Practicable Date, COSCO SHIPPING and its associates controlled or were entitled exercise control over approximately 43.92% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company. Yangzhou Heavy Industry is an indirect wholly-owned subsidiary of COSCO SHIPPING. Accordingly, Yangzhou Heavy Industry is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules, and the COSCO MERCURY Shipbuilding Transactions constitute connected transactions of the Company.

As one or more of the applicable percentage ratios in respect of the COSCO MERCURY Shipbuilding Transactions exceed 5% but are all less than 25% under the Hong Kong Listing Rules, the COSCO MERCURY Shipbuilding Transactions constitute discloseable transactions and connected transactions of the Company subject to the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

The executive Directors, namely, Mr. WAN Min, Mr. CHEN Yangfan and Mr. TAO Weidong, as Directors nominated by COSCO Group (a controlling shareholder of the Company and a wholly-owned subsidiary of COSCO SHIPPING), have abstained from voting on the resolution for the approval of the COSCO MERCURY Shipbuilding Transactions by the Board according to the Articles of Association.

Save as disclosed above, none of the Directors has a material interest in the COSCO MERCURY Shipbuilding Transactions and was required to abstain from voting on the relevant resolution.

5. Waiver in respect of Documents on Display

In respect of the COSCO MERCURY Shipbuilding Contracts, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14A.70(13) and paragraph 43(2)(c) of Appendix D1B to the Hong Kong Listing Rules (the "**Waiver**"), so that certain sensitive information may be redacted from the COSCO MERCURY Shipbuilding Contracts to be published on the websites of the Stock Exchange and the Company. The Stock Exchange has granted the Waiver to the Company, which allows the Company to redact the sensitive information therein relating to: (i) detailed description and technical specifications of the COSCO MERCURY Vessels; (ii) detailed amount and corresponding percentage of installment payable by the COSCO MERCURY Buyer at different stages of the shipbuilding process; (iii) detailed mechanism for reduction of consideration payable by the COSCO MERCURY Buyer in the event of Yangzhou Heavy Industry's failure to comply with the technical specifications or other related obligations therein; (iv) the interest rate applicable for calculation of penalty in the event of breach of obligations therein; (v) timing for Yangzhou Heavy Industry to deliver and the COSCO MERCURY Buyer to take delivery of the COSCO MERCURY Vessels, respectively, and the extent of delay in delivery which would entitle the COSCO MERCURY Buyer to revoke or terminate the COSCO MERCURY Shipbuilding Contracts (collectively, the "**Sensitive Commercial Information**"); and (vi) sensitive contact and personal information, which comprises the names and contact details of the individuals representing the parties for the purpose of serving notice between the contracting parties thereto (the "**Sensitive Personal Information**").

The Sensitive Commercial Information is highly and commercially sensitive and confidential to the parties to the COSCO MERCURY Shipbuilding Contracts which, if disclosed, will (i) significantly prejudice the Group's operation and commercial interests; (ii) adversely affect the Group's commercial bargaining power, future collaboration with Yangzhou Heavy Industry as well as the Group's ability to source quality container vessels in the future; (iii) gravely undermine the competitiveness of the respective parties; and (iv) undermine the interests of the Company and the Shareholders and/or the Independent Shareholders (as the case may be) as a whole. Moreover, the Sensitive Commercial Information either concerns highly technical and purely operational arrangement in the shipping industry or ancillary information of the COSCO MERCURY Shipbuilding Transactions and therefore has no material impact on the Independent Shareholders' assessment of the COSCO MERCURY Shipbuilding Contracts as a whole. Furthermore, according to the COSCO MERCURY

Shipbuilding Contracts, the COSCO MERCURY Buyer is contractually obliged to preserve the confidentiality of the terms thereof in particular by not disclosing such terms to any third party without the express prior approval of Yangzhou Heavy Industry, failing of which the Group may also be exposed to potential claims. The material terms of the COSCO MERCURY Shipbuilding Contracts have been summarized and disclosed in this circular, from which the Independent Shareholders will be able to have sufficient information to assess and make an informed voting decision on the COSCO MERCURY Shipbuilding Transactions.

The Sensitive Personal Information concerns confidential personal details which constitute "personal data" as defined under the Personal Data (Privacy) Ordinance (Chapter 486 of Hong Kong Laws), and is immaterial and not necessary to the decision of the Independent Shareholders in respect of the COSCO MERCURY Shipbuilding Transactions.

Accordingly, only the redacted versions of each of the COSCO MERCURY Shipbuilding Contracts will be published on the websites of the Stock Exchange and the Company, as documents on display, for a period of 14 days from the date of this circular.

D. PROPOSED PROVISION OF EXTENDED FINANCIAL ASSISTANCE

1. Background

In September 2016, when COSCO SHIPPING Ports (an indirect controlling subsidiary of the Company) acquired 35% equity interest in EUROMAX Terminal through its subsidiary, COSCO SHIPPING Ports (Rotterdam), it undertook, in proportion to its shareholding interest therein, the shareholder loan to EUROMAX Terminal of EUR84 million (equivalent to approximately RMB669 million). Such shareholder loan, which was previously extended in 2019, is due to expire on 19 December 2024.

2. Proposed Provision of Extended Financial Assistance

In order to accommodate the capital needs and daily production and operation needs of EUROMAX Terminal, upon consideration and approval by the meeting of the Board, on 29 August 2024, COSCO SHIPPING Ports (Rotterdam), Europe Container Terminals (the shareholder that holds the remaining 65% equity interest in EUROMAX Terminal through its wholly-owned subsidiary) and EUROMAX Terminal entered into the Supplemental Loan Agreement, pursuant to which it is agreed that COSCO SHIPPING Ports (Rotterdam) and Europe Container Terminals shall extend the interest-bearing loan provided to EUROMAX Terminal in proportion to their corresponding shareholding interest therein, and the amount provided by COSCO SHIPPING Ports (Rotterdam) to EUROMAX Terminal shall remain as EUR84 million (equivalent to approximately RMB669 million).

3. Principal Terms of the Supplemental Loan Agreement

The principal terms of the Supplemental Loan Agreement are set out below:

Lenders:	COSCO SHIPPING Ports (Rotterdam) and Europe Container Terminals (collectively, the "**Lenders**")
Borrower:	EUROMAX Terminal (the "**Borrower**")
Loan principal:	EUR240 million (equivalent to approximately RMB1,911 million), among which EUR84 million (equivalent to approximately RMB669 million) would be provided by COSCO SHIPPING Ports (Rotterdam) (in proportion to its shareholding interest therein)
Effective conditions and duration of the extended financial assistance:	The Supplemental Loan Agreement shall take effect upon approval by the relevant shareholders of COSCO SHIPPING Ports (Rotterdam) (including consideration and approval at the general meeting of the Company) and upon which, COSCO SHIPPING Ports (Rotterdam) shall serve a notification to the other parties to the Supplemental Loan Agreement within one business day. Duration of the extended financial assistance shall commence from the date of notification to the other parties by COSCO SHIPPING Ports (Rotterdam) and up to 18 June 2029
Interest rate:	Euribor+2.0%
Purpose:	To supplement the general working capital for EUROMAX Terminal
Liability for breach:	In the event of default by the Borrower under the Supplemental Loan Agreement, the Lenders may, upon the agreement of both Lenders, declare that all amounts outstanding under the Supplemental Loan Agreement are immediately due and payable by the Borrower

4. Information of the Borrower

EUROMAX Terminals is a limited liability company established in the Netherlands and is principally engaged in loading and unloading operations in container terminals and related businesses. COSCO SHIPPING Ports (Rotterdam) and Europe Container Terminals (through its wholly-owned subsidiary, ECT Participations B.V.) hold 35% and 65% equity interest in EUROMAX Terminals, respectively.

To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, EUROMAX Terminal, Europe Container Terminals and the ultimate beneficial owner of Europe Container Terminals were third parties independent of the Company and its connected persons (as defined under the Hong Kong Listing Rules) and, accordingly, the proposed Provision of Extended Financial Assistance does not constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more of the applicable percentage ratios calculated under the Hong Kong Listing Rules in respect of the proposed Provision of Extended Financial Assistance is less than 5%, it also does not constitute a notifiable transaction under Chapter 14 of the Hong Kong Listing Rules.

As the gearing ratio of EUROMAX Terminal as of the end of 2023 is 75.19% (exceeding 70%), according to the requirements of the Shanghai Listing Rules, the proposed Provision of Extended Financial Assistance is subject to consideration and approval at the EGM.

E. PROPOSED CHANGE OF INTERNATIONAL AUDITOR

1. Resignation of International Auditor

Reference is made to the announcement of the Company dated 29 May 2024 in relation to, among other things, the approval by the Shareholders at the annual general meeting of the Company held on 29 May 2024 of (i) the appointment of PwC as the 2024 International Auditor to hold office until the conclusion of the next annual general meeting of the Company; and (ii) the audit fees of the 2024 International Auditor payable by the Company to PwC.

In view of recent market information, based on principle of prudence, and taking into account the Company's current business situation and the future needs of audit services, after the Company's communication with PwC on the proposed change of international auditor, PwC agreed to resign as the 2024 International Auditor with effect from 18 October 2024 (the "**Resignation of International Auditor**"), as stated in its resignation letter dated 18 October 2024.

The Audit Committee and the Board have confirmed that, there are no disagreement or unresolved matters between the Company and PwC, and there are no circumstances connected with the Resignation of International Auditor that need to be brought to the attention of the Shareholders or creditors of the Company. PwC has also confirmed in writing that there are no circumstances connected with the Resignation of International Auditor that need to be brought to the attention of the Shareholders or creditors of the Company.

The Audit Committee and the Board have further confirmed that, PwC has not yet commenced any audit work on the consolidated financial statements of the Group for the year ended 31 December 2024. Accordingly, it is expected that the Resignation of International Auditor would not have any material impact on the Group's annual audit for the year ended 31 December 2024.

2. Appointment of International Auditor

The following ordinary resolution will be proposed at the EGM to approve the appointment of international auditor of the Company (the "**Appointment of International Auditor**"):

(i) the proposed appointment of SW Hong Kong as the new 2024 International Auditor to hold office from the date of approval of the relevant resolution at the general meeting of the Company until the conclusion of the next annual general meeting of the Company; and

(ii) the audit fees of the 2024 International Auditor of RMB6.17 million (tax inclusive) shall be payable by the Company to SW Hong Kong.

The abovementioned resolution in relation to the Appointment of International Auditor was considered and approved by the Board on 18 October 2024 and will be submitted, by way of an ordinary resolution, for the Shareholders' consideration and approval at the EGM.

The Audit Committee and the Board have considered various factors in assessing the eligibility and suitability of the appointment of SW Hong Kong as the international auditor of the Company, including but not limited to:

1. its proposals of audit services;

2. its professional expertise, technical competence and relevant resources, including its experience in providing audit work for companies listed on the Stock Exchange and its familiarity with the requirements under the Hong Kong Listing Rules and the Hong Kong Financial Reporting Standards;

3. its independence and objectivity;

4. its reputation in the market and performance in the past;

5. its resources and capabilities for completing audit work within a stipulated schedule;

6. its audit fees;

7. the relevant requirements under the Rules for Management of Audit of Financial Accounts of Central Enterprises (《中央企業財務決算審計管理工作規則》) formulated by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC; and

8. the guidelines issued by the Accounting and Financial Reporting Council of Hong Kong.

Based on the above, the Audit Committee assessed and considered that SW Hong Kong is independent, suitable and competent (including in terms of manpower, expertise, time and other resources) to serve as the international auditor of the Company and recommended the Board to appoint SW Hong Kong as the 2024 International Auditor. As ShineWing (ShineWing Certified Public Accountants, LLP being the 2024 domestic auditor of the Company) and its member firm, SW Hong Kong, will be responsible for the domestic and international audits of the Company's financial reports after the Appointment of International Auditor, it is conducive to the integration of audit resources, saving of audit costs and improvement of work efficiency. Accordingly, the Audit Committee and the Board are of the view that the change of international auditor will not have any material impact on the Group and is in the interests of the Company and the Shareholders as a whole.

F. PROPOSED IMPLEMENTATION OF THE A SHARES REPURCHASE PLAN

1. Background

On 29 May 2024, the grant of general mandate to the Board to repurchase A Shares (the "**General Mandate to Repurchase A Shares**") and the grant of general mandate to the Board to repurchase H Shares (the "**General Mandate to Repurchase H Shares**") were approved at the 2023 annual general meeting, the 2024 first A Share class meeting and the 2024 first H Share class meeting of the Company. For further details, please refer to the circular of the Company dated 9 May 2024 and the announcement of the Company dated 29 May 2024.

On 18 October 2024, the Board considered and approved the Resolution on the Shares Repurchase Plan of COSCO SHIPPING Holdings with Special Loans Provided by Bank(s) and Own Funds (《關於中遠海控以銀行專項貸款及自有資金回購公司股份方案的議案》), pursuant to which it is proposed to repurchase A Shares through centralized price bidding pursuant to the General Mandate to Repurchase A Shares (i.e. the A Shares Repurchase Plan) and to repurchase H Shares pursuant to the General Mandate to Repurchase H Shares (the "**H Shares Repurchase Arrangement**").

2. A Shares Repurchase Plan

Since the Company currently does not satisfy the conditions as referred to in item (4) of article 2 of the Self-regulatory Guidelines No. 7 for Listed Companies on the Shanghai Stock Exchange – Share Repurchases (《上海證券交易所上市公司自律監管指引第7號–回購股份》), it is not eligible to repurchase and cancel its A Shares under the General Mandate to Repurchase A Shares. According to the relevant requirements under article 162 of the Company Law of the People's Republic of China and article 34 of the Articles of Association, any repurchase of shares by the Company for the purpose of reducing its registered capital shall be submitted to the general meeting of the Company for consideration and approval. Therefore, the A Shares Repurchase Plan is subject to the approval by the Shareholders at the general meeting of the Company.

Set out below is the key summary of the A Shares Repurchase Plan:

(1) Purpose of the share repurchase

In order to enhance investors' confidence in the Company, and having considered various factors including the financial conditions, future development and reasonable valuation of the Company, etc., the Company proposes to repurchase A Shares. All A Shares repurchased under the A Shares Repurchase Plan shall be cancelled and the registered share capital of the Company shall be reduced accordingly.

(2) Type of shares to be repurchased

A Shares.

(3) Methods of the share repurchase

To conduct the repurchase through centralized price bidding on the stock trading system of the Shanghai Stock Exchange.

(4) Implementation period of the share repurchase

The repurchase period of A Shares shall be no more than 6 months from the date of approval of the A Shares Repurchase Plan at the general meeting of the Company, and shall also be subject to the relevant authorization period under the General Mandate to Repurchase A Shares (i.e. which shall not exceed the earlier of the followings: the conclusion of the 2024 annual general meeting of the Company; or the date on which such General Mandate to Repurchase A Shares is revoked or varied by special resolution passed at any general meeting, H Share class meeting and A Share class meeting of the Company).

(5) Intended purpose, number of shares involved, corresponding proportion to the total share capital of the Company and total amount of funds for the share repurchase

All A Shares repurchased under the A Shares Repurchase Plan shall be cancelled and the registered share capital of the Company shall be reduced accordingly. The total number of the A Shares to be repurchased shall range from 50 million shares to 100 million shares, representing approximately 0.31% to 0.63% of the total share capital of the Company as of 30 September 2024. Based on the maximum repurchase price of RMB20 per share, the maximum amount of total funds to be applied for the repurchase of A Shares would be RMB2 billion. The exact number of A Shares to be repurchased, the corresponding proportion to the total share capital of the Company and amount of total funds to be applied for the repurchase would depend on the subsequent implementation.

In the event of implementation of any capitalization of reserves, distribution of share dividends, share subdivision, share consolidation, etc. during the repurchase period, the Company will adjust the number of A Shares to be repurchased accordingly pursuant to the relevant regulations.

(6) Price or price range and pricing principle for the share repurchase

The maximum repurchase price of A Shares under the A Shares Repurchase Plan shall not exceed RMB20 per share (inclusive of RMB20 per share), being not higher than 150% of the average trading price of the shares of the Company for the 30 trading days prior to the approval of the relevant resolution on share repurchase by the Board. The exact repurchase price will be determined with reference to the Company's share price in the secondary market and the financial position and operating conditions of the Company during the implementation of repurchase.

In the event of implementation of any capitalization of reserves, distribution of bonus in shares or cash, share subdivision, share consolidation or placing by the Company during the repurchase period, the Company will adjust the maximum repurchase price from the ex-right or ex-dividend date accordingly pursuant to the relevant requirements.

(7) Source of funds for the share repurchase

Pursuant to the Notice on the Establishment of Refinancing Loans for Share Repurchase and Shareholding Increase (《關於設立股票回購增持再貸款有關事宜的通知》) issued by the People's Bank of China, the National Financial Regulatory Administration and the China Securities Regulatory Commission, the Bank of China Shanghai Branch issued a loan commitment letter to the Company on October 18, 2024, pursuant to which it agrees to provide the Company with a special loan of up to RMB300 million for the purpose of the Company's repurchase of A Shares. Such commitment letter shall be valid for one year from the date of its issuance. Such loan is subject to approval according to the review procedures of the Bank of China Shanghai Branch and shall only be granted upon the fulfillment of the conditions for grant as required and approved by the Bank of China Shanghai Branch. The detailed arrangement shall be determined with reference to the relevant financing agreement(s) to be entered into between the Company and the Bank of China Shanghai Branch. Save for the above loan, the rest of the funds to be applied for the A Shares Repurchase Plan would be the Company's own funds.

(8) Specific authorization to handle the share repurchase

The Board may authorize any of the executive Directors to execute the financing documents in relation to the A Shares Repurchase Plan and implement the relevant financing arrangements; other authorization arrangements shall be proceeded in accordance with the General Mandate to Repurchase A Shares.

3. Takeovers Code

The Board has no intention to implement the above A Shares Repurchase Plan and/or the H Shares Repurchase Arrangement under circumstances where it will trigger an obligation on the part of COSCO SHIPPING (an indirect controlling Shareholder) and parties acting in concert (as defined under the Takeovers Code) with it to make a mandatory offer pursuant to the Takeovers Code.

The proposed implementation of the A Shares Repurchase Plan will be proposed by way of special resolutions for consideration and approval by the Shareholders at the EGM.

G. EGM

The EGM will be held at Conference Room, 47th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong and Ocean Hall, 5th Floor, Shanghai Ocean Hotel, No. 1171, Dong Da Ming Road, Shanghai, the PRC on Wednesday, 13 November 2024 at 2:30 p.m.

The EGM will be held for Shareholders to consider and if thought fit to approve, among others, the aforesaid resolutions. The Notice of EGM, which contains the resolutions to be proposed at the EGM, is set out on pages EGM-1 to EGM-3 of this circular. Notice of EGM, together with the form of proxy, have been despatched to the Shareholders on 29 October 2024 with this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed on it. The form of proxy should be returned to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the EGM or any adjournment of it. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment of it should you so wish.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of the Shareholders to be taken at the EGM shall be taken by poll. An announcement of the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

As at the Latest Practicable Date, COSCO SHIPPING and its associates, as connected persons of the Company having a material interest in the COSCO MERCURY Shipbuilding Transactions, controlled or were entitled exercise control over the voting rights in respect of 6,629,619,897 A Shares and 380,000,000 H Shares, representing approximately 43.92% of the entire issued share capital of the Company. They were required to abstain from voting on the resolution for the approval of the COSCO MERCURY Shipbuilding Transactions at the EGM according to the Hong Kong Listing Rules.

Save as disclosed above, 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 EGM and therefore no Shareholder is required to abstain from voting on the relevant resolutions at the EGM.

H. CLOSURE OF H SHARE REGISTER OF MEMBERS

For the purpose of ascertaining the entitlement of H Shareholders to attend and vote at the EGM or any adjournment or postponement thereof (as the case may be), the H Share register of members of the Company will be closed from Friday, 8 November 2024 to Wednesday, 13 November 2024, both days inclusive, during which period no transfer of the H Shares will be effected. The H Shareholders whose names appear in the H Share register of members of the Company on Friday, 8 November 2024 are entitled to attend and vote at the EGM. In order to attend and vote at the EGM, all transfer documents accompanied by relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712 to 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 7 November 2024.

I. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that all resolutions to be proposed at the EGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of such resolutions to be proposed at the EGM.

Your attention is also drawn to the Letter from the Independent Board Committee as set out on page 23 to this circular, and the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders as set out on pages 24 to 34 of this circular containing, among others, the information on the transactions contemplated under the COSCO MERCURY Shipbuilding Contracts and principal factors and reasons considered in formulating its opinion. Having taken into account the terms of the transactions contemplated under the COSCO MERCURY Shipbuilding Contracts and the advice of Gram Capital, the Independent Board Committee is of the opinion that (i) COSCO MERCURY Shipbuilding Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Company, and that (ii) the terms of the COSCO MERCURY Shipbuilding Contracts are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution regarding the COSCO MERCURY Shipbuilding Transactions to be proposed at the EGM to approve the aforesaid matter.

J. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
COSCO SHIPPING Holdings Co., Ltd.*
Xiao Junguang
Company Secretary

* *For identification purpose only*

中遠海運控股股份有限公司

COSCO SHIPPING Holdings Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1919)

29 October 2024

To the Independent Shareholders

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION

We refer to the circular of the Company dated 29 October 2024 (the "**Circular**") of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether (i) the COSCO MERCURY Shipbuilding Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Company, and (ii) the terms of the COSCO MERCURY Shipbuilding Contracts are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Having taken into account the terms of the transactions contemplated under the COSCO MERCURY Shipbuilding Contracts and the advice of Gram Capital, we are of the opinion that (i) the COSCO MERCURY Shipbuilding Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Company, and that (ii) the terms of the COSCO MERCURY Shipbuilding Contracts are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution regarding the relevant resolutions to be proposed at the EGM to approve the COSCO MERCURY Shipbuilding Transactions.

Yours faithfully,
For and on behalf of the Independent Board Committee
Prof. MA Si-hang Frederick Mr. SHEN Dou Ms. HAI Chi-yuet
Independent non-executive Directors

* *For identification purpose only*

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

29 October 2024

To: *The independent board committee and the independent shareholders of COSCO SHIPPING Holdings Co., Ltd.**

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO CONSTRUCTION OF TWELVE VESSELS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Transactions, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 29 October 2024 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 29 August 2024 (the "**Agreements Date**"), COSCO MERCURY Buyer (a wholly-owned subsidiary of the Company), as the buyer, entered into 12 COSCO MERCURY Shipbuilding Contracts on substantially the same terms with Yangzhou Heavy Industry, as the builder, for construction of 12 units of COSCO MERCURY Vessels at a consideration of US$179.5 million (equivalent to approximately HK$1,400 million) for each COSCO MERCURY Vessel and for an aggregate consideration of US$2,154 million (equivalent to approximately HK$16,800 million) for all 12 COSCO MERCURY Vessels (the "**Transactions**").

With reference to the Board Letter, the Transactions constitute discloseable and connected transactions of the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Independent Board Committee comprising Prof. MA, Si-hang Frederick, Mr. SHEN Dou and Ms. HAI Chi-yuet (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as independent financial adviser in respect of (i) the Company's major and continuing connected transactions, details of which are set out in the Company's circular dated 21 October 2022; and (ii) the Company's discloseable and connected transactions, details of which are set out in the Company's circular dated 9 November 2022. Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid past engagements, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company or any other parties that could be reasonably regarded as a hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Having considered the above and that none of the circumstances as set out under Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the

Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Hong Kong Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, COSCO MERCURY Buyer, Yangzhou Heavy Industry or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources and such sources are reliable.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

Information on the Group

With reference to the Board Letter, the Company was established in the PRC on 3 March 2005. The Group provides a wide range of container shipping and terminal services covering the whole shipping value chain for both international and domestic customers.

Set out below are the consolidated financial information of the Group for the two years ended 31 December 2023 and the six months ended 30 June 2024 ("**1H2024**") (with comparative figures) as extracted from the Company's annual report for the year ended 31 December 2023 ("**2023 Annual Report**") and the Company's interim report for 1H2024 ("**2024 Interim Report**"):

	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Year-on-year change	For the year ended 31 December 2023	For the year ended 31 December 2022	Year-on-year change
	RMB'000	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*
	(unaudited)	*(unaudited)*		*(audited)*	*(audited)*	
Revenues	101,201,055	91,842,797	10.19	175,447,747	391,058,497	(55.14)
– Container shipping business	*97,436,656*	*88,243,258*	*10.42*	*168,039,408*	*383,993,233*	*(56.24)*
– Terminal business	*3,764,399*	*3,599,539*	*4.58*	*7,408,339*	*7,065,264*	*4.86*
Gross profit	23,157,925	19,781,035	17.07	27,587,314	170,477,949	(83.82)
Profit attributable to equity holders of the Company	16,870,080	16,560,637	1.87	23,860,258	109,792,453	(78.27)

As depicted from the above table, the Group's revenues decreased from approximately RMB391.1 billion for the year ended 31 December 2022 ("**FY2022**") to approximately RMB175.4 billion for the year ended 31 December 2023 ("**FY2023**"), representing a decrease of approximately 55.14%. The Group generated majority of its revenues from container shipping business. With reference to the 2023 Annual Report, supply and demand relationship in global container shipping market has tightened since 2023 and market freight rate fluctuated at a low level; and there was a decrease of approximately 66.4% in the average level of China Containerized Freight Index ("**CCFI**") (CCFI was established by Shanghai Shipping Exchange Co., Ltd. in 1998 to monitor container freight rates across 10 major ports in the PRC, including Dalian, Tianjin, Qingdao, Shanghai, Nanjing, Ningbo, Xiamen, Fuzhou, Shenzhen, and Guangzhou. It encompasses 12 major trades, spanning significant markets in the Far East, Asia, Europe, Mediterranean, Australasia, North and South America, Africa, and the Middle East) for FY2023 as compared to that for FY2022.

Along with the decrease in the Group's revenues as a result of the decrease in freight rates, the Group's gross profit margin decreased from approximately 43.59% for FY2022 to approximately 15.72% for FY2023, thereby resulting decrease in the Group's gross profit and profit attributable to equity holders of the Company.

The Group's revenues were approximately RMB101.2 billion for 1H2024, representing an increase of approximately 10.19% as compared to that for the corresponding period in 2023 ("**1H2023**"). With reference to the 2024 Interim Report, the Group's container shipping business recorded shipping volume of approximately 12.5 million TEU, representing an increase of approximately 9.34% as compared to that for 1H2023.

Along with the increase in the Group's revenues for 1H2024 and slight increase in the Group's gross profit margin, the Group's gross profit for 1H2024 increased by approximately 17.07% as compared to that for 1H2023.

The Group's profit for 1H2024 attributable to equity holders of the Company increased by approximately 1.87% as compared to that for 1H2023. With reference the 2024 Interim Report, the slight increase in the Group's profit attributable to equity holders of the Company was a result of (i) decrease in the Group's other income; (ii) the net provision for impairment losses on financial assets for 1H2024 as opposed to the net reversal of impairment losses on financial assets for 1H2023; (iii) increase in the Group's selling, administrative and general expenses; and (iv) decrease in net finance income.

With reference to the 2024 Interim Report, the Company is cautiously optimistic about the outlook for the container shipping industry amid muted global economic recovery. Various challenges lie ahead, including complex geopolitical situations, profound adjustments of global economic and trade landscape, centralized delivery of newly constructed vessels and increasing costs arising from green low-carbon transformation to comply with regulatory requirements. In this regard, the Group will continue to adhere to its mission to "accelerate the development of the Company into a world-class shipping technology enterprise", and stick to its positioning as "a global digital supply chain operation and investment platform with a primary focus on container shipping", actively promote innovations in the ecosystems for supply chain, intelligent interconnection and green low-carbon development.

Information on COSCO MERCURY Buyer

With reference to the Board Letter, COSCO MERCURY Buyer is a company incorporated in the Cayman Islands with limited liability and is a wholly-owned subsidiary of COSCO SHIPPING Lines. It is principally engaged in financing, shipbuilding and leasing in respect of container vessels. COSCO SHIPPING Lines is a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in container shipping.

Information on Yangzhou Heavy Industry

With reference to the Board Letter, Yangzhou Heavy Industry is established in the PRC with limited liability and is principally engaged in the business of float installation and ship designing and manufacturing. Yangzhou Heavy Industry is an indirect wholly-owned subsidiary of COSCO SHIPPING, who is in turn an indirect controlling Shareholder of the Company. Yangzhou Heavy Industry is a connected person of the Company.

Reasons for and benefits of the Transactions

With reference to the Board Letter, the Transactions serves as important measure for the Group to follow the new industry development trend of green, low-carbon and smart shipping and actively promote the construction of its green and low-carbon fleet. The Company plans to steadily increase the proportion of new and clean energy powered vessels combining construction of new vessels with upgrading of existing ones, which will reduce the environmental and ecological impact of the Group's daily operation and support long-term sustainable development.

In addition, the Transactions will enable the Group's fleet capacity to remain in the top-tier of the container shipping industry. The Transactions will further optimize the structure of the Group's fleet, which will be in line with the Group's long-term development strategy. The vessels under construction are 14,000 TEU high-cold plug-in container ships, which offer enhanced navigation performance and are well-suited for a wider range of routes, which could better meet the increasingly diverse transportation needs of the Group's customers.

Overview of the shipping industry

Set out below are the volume of freight transported through maritime transportation of the PRC during the five years ended 31 December 2023 published by the National Bureau of Statistics of the PRC (https://www.stats.gov.cn/):

	2019	**2020**	**2021**	**2022**	**2023**
Volume of freight transported through maritime transportation of the PRC *(approximate billion tons)*	7.5	7.6	8.2	8.6	9.4
Total volume of freight transported of the PRC *(approximate billion tons)*	47.1	47.3	53.0	51.5	55.7

As shown in the table above, there was year-on-year increase in the volume of freight transported through maritime transportation of the PRC during each of the year 2020, 2021, 2022 and 2023. The volume of freight transported through maritime transportation of the PRC increased from approximately 7.5 billion tons in 2019 to approximately 9.4 billion tons in 2023, representing a compound annual growth rate of approximately 5.81%. In addition, despite the decrease in total volume of freight transported of the PRC in 2022 as compared to that for 2021, the volume of freight transported through maritime of the PRC had nonetheless increased by approximately 0.4 billion in 2022 as compared to that for 2021.

Set out below are the freight turnover of maritime transport (being the product of the quantity of freight (in tons) multiply by the distance of the transport (in kilometres)) of the PRC during the five years ended 31 December 2023 published by the National Bureau of Statistics of the PRC (https://www.stats.gov.cn/):

	2019	**2020**	**2021**	**2022**	**2023**
Freight turnover of maritime transport of the PRC *(billion ton-km)*	10,396.3	10,583.4	11,557.8	12,100.3	12,995.2

As shown in the table above, there was year-on-year increase in the freight turnover of maritime transport of the PRC during each of the year 2020, 2021, 2022 and 2023. The volume of freight turnover of maritime transport of the PRC increased from approximately 10,396.3 billion ton-km in 2019 to approximately 12,995.2 billion ton-km in 2023, representing a compound annual growth rate of approximately 5.74%.

Set out below are the average weekly CCFI (CCFI was established by Shanghai Shipping Exchange Co., Ltd. in 1998 to monitor container freight rates across 10 major ports in the PRC, including Dalian, Tianjin, Qingdao, Shanghai, Nanjing, Ningbo, Xiamen, Fuzhou, Shenzhen, and Guangzhou. It encompasses 12 major trades, spanning significant markets in the Far East, Asia, Europe, Mediterranean, Australasia, North and South America, Africa, and the Middle East) during the five years ended 31 December 2023 and for the period from January 2024 to August 2024, as extracted from Wind Financial Terminal:

	2019	**2020**	**2021**	**2022**	**2023**	**January to August 2024**
Average weekly CCFI	823.98	984.42	2,626.41	3,206.26	937.29	1,561.35

As shown in the table above, there was year-on-year increase in the average weekly CCFI during each of the year 2020, 2021 and 2022, in particular significant growth in 2021 and 2022. Despite the average weekly CCFI for 2023 decreased significantly as compared to that for 2022, the average weekly CCFI rebounded for the period from January 2024 to August 2024.

Despite the significant decrease in average weekly CCFI in 2023, the increasing demand for maritime transportation, as illustrated by the increasing trend in the volume of freight transported through maritime transportation of the PRC and the freight turnover of maritime transport of the PRC, demonstrate the continuous growth of the PRC shipping market.

We also noted from an article "Roadmap to decarbonize the shipping sector: Technology development, consistent policies and investment in research, development and innovation" dated 19 December 2022 published by the United Nations Conference on Trade and Development (https://unctad.org/news/transport-newsletter-article-no-99-fourth-quarter-2022) that the maritime sector contributes approximately 2.8% of the global greenhouse gas emission due to its rapid growth and reliance on carbon-intensive fuels, and it has a significant potential to reduce greenhouse gas emissions. To achieve this, efforts would need to be made towards (i) replacing the use of fossil fuels with renewable alternatives such as e-hydrogen and e-ammonia; and (ii) changes in propulsion systems, development of zero-emission vessels and improved efficiency of engines and propellers. The International Maritime Organisation has set targets for reducing carbon dioxide emissions in shipping by at least 40% by 2030 and 70% by 2050 (both figures as compared to the data of 2008) and has implemented several performance indicators to monitor and improve energy efficiency and reduce emissions.

With reference to the 2023 Annual Report and as confirmed by the Directors, the Group's self-operated container fleet size reached 502 vessels with a capacity of over 3.04 million TEUs as at 31 December 2023. Meanwhile, the Group actively followed the new trend of green development in the industry, ordered a batch of green new energy vessels to continuously optimize the structure of its fleet.

Having considered the above, in particular:

(i) the Group's intention to follow the new trend of green development in the shipping industry; and

(ii) that the increasing demand for maritime transportation, as illustrated by the increasing trend in the volume of freight transported through maritime transportation of the PRC and the freight turnover of maritime transport of the PRC, demonstrate the continuous growth of the PRC shipping market; and

(iii) the Transactions constitute important measure for the Group to align with the new industry development trend of green, low-carbon and smart shipping and actively promote the green carbon reduction of its fleet,

we are of the view that the Transactions are conducted in the ordinary and usual course of business of the Group and are in the interest of the Company and the Shareholders as a whole.

Principal terms of the Transactions

Pursuant to the COSCO MERCURY Shipbuilding Contracts, COSCO MERCURY Buyer shall pay the consideration for each COSCO MERCURY Vessel of US$179.5 million in cash in five instalments based on the progress intervals of the construction of each COSCO MERCURY Vessel.

Considerations

With reference to the Board Letter, the consideration of US$179.5 million for each of the COSCO MERCURY Vessels was determined based on the Group's requirements on price, technical capability and delivery schedule. Through price inquiries (the "**Price Inquiries**") with major shipbuilders (including independent third-party shipbuilders) capable of building and delivering large container vessels of 14,000 TEU and above and upon comprehensive evaluation, it was noted that Yangzhou Heavy Industry has comprehensive advantages compared to other shipbuilders (including independent third-party shipbuilders) in terms of vessel delivery schedule and transaction consideration. After negotiation of counter-offer and upon receiving confirmation from Yangzhou Heavy Industry, the Group eventually selected Yangzhou Heavy Industry as the builder of the Vessels. Additionally, Yangzhou Heavy Industry is the builder of a number of the Group's vessels under construction, and therefore is more familiar with the various requirements of the Group on construction of new vessels.

Upon our enquiry, the Directors advised us that, the Group made the Price Inquiries with four shipbuilders. One of the shipbuilders refused to participate in the transactions and three shipbuilders (including Yangzhou Heavy Industry and two independent third parties) (the "**Participated Shipbuilders**") provided quotations. The Company provided us copies of replies from the Participated Shipbuilders and we noted that Yangzhou Heavy Industry offered the lowest price per vessel with the earliest delivery schedule among the Participated Shipbuilders.

The Company also provided us reference newbuilding market prices list extracted from database of a maritime/shipping data provider subscribed by the Group. We noted from the aforesaid reference market prices list that the reference newbuilding market prices for methanol dual fuel container vessels with shipping capacity ranged from 13,000 TEU to 16,000 TEU for the period from January 2024 to August 2024 ranged from US$168.5 million to US$194.5 million per vessel. The consideration of US$179.5 million for each COSCO MERCURY Vessel is within the aforesaid reference newbuilding market prices range.

Having considered the above, we are of the view that the consideration for the Transactions to be fair and reasonable.

Payment term

As aforementioned, COSCO MERCURY Buyer shall pay the consideration for each COSCO MERCURY Vessel of US$179.5 million in cash in five instalments based on the progress intervals of the construction of each the COSCO MERCURY Vessel, payable in US$ or in equivalent RMB. The third and fourth payment instalments accounted for smaller proportion of the consideration, while the first, second and fifth payment instalments accounted for larger proportion of the consideration (of which the fifth payment instalment accounted for the largest proportion).

We noted from the copies of replies from the Participated Shipbuilders to the Price Inquiries that (i) the second payment instalment under COSCO MERCURY Shipbuilding Contracts is 10 percentage points more than; and (ii) the fifth payment instalment under COSCO MERCURY Shipbuilding Contracts is 10 percentage points less than, those offered by the two independent Participated Shipbuilders. Upon our enquiry, the Directors advised us that the higher portion of the second payment instalment is acceptable as Yangzhou Heavy Industry offered the lowest price per vessel with the earliest delivery schedule among the Participated Shipbuilders.

To assess the fairness and reasonableness of the payment terms of the COSCO MERCURY Shipbuilding Contracts, we attempted to search for shipbuilding transactions regarding container vessels announced by listed companies in Hong Kong from 30 August 2023 (being one year prior to the Agreements Date) up to and including the Agreements Date (the "**Review Period**"). Nevertheless, we could not find any shipbuilding transactions regarding container vessels announced by listed companies in Hong Kong during the Review Period.

Accordingly, we extended our criteria to shipbuilding transactions regarding tanker ships and bulk carriers and identified five shipbuilding transactions announced by listed companies in Hong Kong during the Review Period, which are exhaustive based on our selection criteria (the "**Reference Transaction(s)**").

We noted from the Reference Transactions that their payment terms vary from five to six instalments, payable based on their respective shipbuilding progress (such as the cutting of first steel plate, keel-laying, launching and delivery of the vessels). We also noted that except for the consideration of one Reference Transaction that are payable in five equal instalments, the final instalments under the Reference Transactions accounted for a larger portion of the consideration.

We consider the payment terms of the COSCO MERCURY Shipbuilding Contracts are in line with recent market practices as indicated by the Reference Transactions.

Other terms

Pursuant to the COSCO MERCURY Shipbuilding Contracts, Yangzhou Heavy Industry agrees delivery date and guarantees speed, fuel consumption, deadweight, container capacity and container loadings of the COSCO MERCURY Vessels. Subject to level of deviation of the aforesaid parameters, the consideration for the subject COSCO MERCURY Vessel will be reduced (from the fifth payment instalment) or COSCO MERCURY Buyer will be entitled to rescind/cancel the corresponding COSCO MERCURY Shipbuilding Contract. We also noted from the Reference Transactions that the consideration of three Reference Transactions is subject to adjustments (two of which had specified adjustment factors such as delivery, speed, fuel consumption and deadweight stated in their transaction announcements).

We consider that the above mechanism can protect COSCO MERCURY Buyer from delayed delivery or deviation from guaranteed parameters of the COSCO MERCURY Vessels and in line with recent market practices as indicated by the aforesaid three Reference Transactions.

Having considered the principal terms of the Transactions as set out above, we are of the view that the terms of the Transactions are on normal commercial terms and are fair and reasonable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

* *For identification purposes only*

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

(a) As at the Latest Practicable Date, the interests of the Directors, Supervisors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Hong Kong Listing Rules were as follows:

(i) Long positions in the Shares, underlying Shares and debentures of the Company

As at the Latest Practicable Date, none of the Directors, Supervisors and the chief executive of the Company hold any long position in the Shares, underlying Shares and debentures of the Company.

(ii) Long positions in the shares, underlying shares and debentures of associated corporations of the Company

Name of associated corporation	Name of Director/ Supervisor	Capacity	Number of shares held	Percentage of total number of issued shares of the relevant class of the relevant associated corporation
COSCO SHIPPING Development	Mr. WAN Min	Beneficial owner	200,000 H shares	0.00545%
		Interest of Spouse	2,000 A shares	0.00005%
COSCO SHIPPING Ports	Mr. WAN Min	Beneficial owner	329,437 H shares	0.00897%

(b) As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors, no Director was a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Position held in COSCO SHIPPING
WAN Min	Chairman of the board of directors and party secretary
CHEN Yangfan	Deputy general manager and member of the party committee

(c) Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, (i) none of the Directors, Supervisors or chief executive of the Company had any interest or short positions or interest in debentures in any shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or any interest or short positions which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or any interest or short positions which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange; and (ii) none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had any interest in any business, which competes or may compete, either directly or indirectly, with the business of the Group as if each of them was treated as a controlling Shareholder under Rule 8.10 of the Listing Rules.

4. DIRECTORS' AND SUPERVISORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interest in any asset which had been, since 31 December 2023, being the date to which the latest published audited combined financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contract or arrangement subsisting and which is significant in relation to the business of the Group.

6. DIRECTORS' AND SUPERVISORS' INTERESTS IN SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had entered into, or proposed to enter into a service contract or service agreement with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

7. EXPERT AND CONSENT

The following is the qualification of the expert named herein, who has given an opinion or advice, which is contained in this circular:

Name	Qualification
Gram Capital	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Gram Capital did not have any beneficial interest in the share capital of any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Gram Capital did not have any direct or indirect interest in any assets which have been, since 31 December 2023, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

Gram Capital has given and has not withdrawn its written consent to the issue of this circular, with the inclusion herein of its letter dated 29 October 2024 in connection with its advice to the Independent Board Committee and the Independent Shareholders, and reference to its name and advice in the form and context in which it appears.

8. LITIGATION

There was no litigation or claim of material importance pending or threatened against any member of the Group as at the Latest Practicable Date.

9. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited combined financial statements of the Company were made up.

10. MISCELLANEOUS

(a) The company secretary of the Company is Mr. XIAO Junguang.

(b) The registered office of the Company is located at 2nd Floor, 12 Yuanhang Business Centre, Central Boulevard and East Seven Road Junction, Tianjin Pilot Free Trade Zone (Airport Economic Area), Tianjin, the PRC. The head office and principal place of business of the Company in Hong Kong is located at 48/F, COSCO Tower, 183 Queen's Road Central, Hong Kong.

(c) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited located at Shops 1712 to 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(d) This circular in both English and Chinese is available in printed form and published on the respective websites of the Company at "http://hold.coscoshipping.com" and Hong Kong Exchanges and Clearing Limited at "http://www.hkexnews.hk". To the extent that there are any inconsistencies between the English version and the Chinese version of this circular, the English version shall prevail.

11. DOCUMENTS ON DISPLAY

A copy of the following documents will be displayed and published on the website of the Stock Exchange at "https://www.hkexnews.hk" and the website of the Company at "https://hold.coscoshipping.com" during the period of 14 days from the date of this circular:

(a) each of the COSCO MERCURY Shipbuilding Contracts (Note);

(b) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the COSCO MERCURY Shipbuilding Contracts; and

(c) the written consent from the Independent Financial Adviser referred to in the section headed "7. Expert and Consent".

Note:

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14A.70(13) and paragraph 43(2) (c) of Appendix D1B to the Hong Kong Listing Rules, so that only the redacted versions of each of the COSCO MERCURY Shipbuilding Contracts will be available for inspection on the websites of the Stock Exchange and the Company. For further details, please refer to the section headed "C. DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION REGARDING CONSTRUCTION OF TWELVE UNITS OF 14,000 TEU METHANOL DUALFUEL CONTAINER VESSELS — 5. WAIVER IN RESPECT OF DOCUMENTS ON DISPLAY" in the Letter from the Board in this circular.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.

中遠海運控股股份有限公司
COSCO SHIPPING Holdings Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1919)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**EGM**") of COSCO SHIPPING Holdings Co., Ltd.* (the "**Company**") will be held at Conference Room, 47th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong and Ocean Hall, 5th Floor, Shanghai Ocean Hotel, No. 1171, Dong Da Ming Road, Shanghai, the People's Republic of China on Wednesday, 13 November 2024 at 2:30 p.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions 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 29 October 2024 (the "**Circular**").

ORDINARY RESOLUTIONS

1. To consider and approve the election of Mr. Zhu Tao as an executive Director of the seventh session of the Board of the Company.

2. To consider and approve the discloseable transaction and connected transaction under the COSCO MERCURY Shipbuilding Contracts.

3. To consider and approve the Provision of Extended Financial Assistance pursuant to the Supplemental Loan Agreement.

4. To consider and approve (i) the appointment of SHINEWING (HK) CPA Limited as the 2024 International Auditor to hold office until the conclusion of the next annual general meeting of the Company; and (ii) the audit fees of the 2024 International Auditor of RMB6.17 million (tax inclusive) shall be payable by the Company to SHINEWING (HK) CPA Limited.

SPECIAL RESOLUTIONS

5. To consider and approve the implementation of the A Shares Repurchase Plan:

   5.1 Purpose of the share repurchase;

   5.2 Type of shares to be repurchased;

   5.3 Methods of the share repurchase;

   5.4 Implementation period of the share repurchase;

   5.5 Intended purpose, number of shares involved, corresponding proportion to the total share capital of the Company and total amount of funds for the share repurchase;

   5.6 Price or price range and pricing principle for the share repurchase;

   5.7 Source of funds for the share repurchase; and

   5.8 Specific authorization to handle the share repurchase.

By Order of the Board
COSCO SHIPPING Holdings Co., Ltd.*
Xiao Junguang
Company Secretary

Shanghai, the People's Republic of China
29 October 2024

Notes:

1. Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, votes of the Shareholders at the EGM shall be taken by poll.

2. A Shareholder entitled to attend and vote at the EGM may designate one or more proxies to attend and vote in his/her stead. A proxy needs not to be a Shareholder.

3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her/its attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorized attorney(s). If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.

4. In order to be valid, the form of proxy together with the power of attorney or other authorization document (if any) must be deposited at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for holders of H Shares as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the EGM if he/she/it so wishes.

5. The H Share register of members of the Company will be closed from Friday, 8 November 2024 to Wednesday, 13 November 2024, both days inclusive. The H Shareholders whose names appear on the H Share register of members of the Company on Friday, 8 November 2024 are entitled to attend and vote at the EGM. In order to attend and vote at the EGM, all transfer documents accompanied by relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712 to 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 7 November 2024.

6. The Shareholders or their proxies attending the EGM shall produce their identity documents. If the attending Shareholder is a corporate, its legal representative or person authorized by the Board or other decision-making authority shall present a copy of the relevant resolution of the Board or other decision-making authority in order to attend the EGM.

7. As at the date hereof, the Directors of the Company are Mr. WAN Min[1] (Chairman), Mr. CHEN Yangfan[1] (Vice Chairman), Mr. TAO Weidong[1], Mr. YU De[2], Prof. MA Si-hang Frederick[3], Mr. SHEN Dou[3] and Ms. HAI Chi-yuet[3].

[1] *Executive Director*
[2] *Non-executive Director*
[3] *Independent Non-executive Director*

* *For identification purpose only*