中遠海運發展股份有限公司

COSCO SHIPPING Development Co., Ltd.*

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

(Stock Code: 02866)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE A SHARE REPURCHASE PLAN AND THE H SHARE REPURCHASE ARRANGEMENT

BACKGROUND

On 28 June 2024, the grant of the General Mandate to Repurchase A Shares and the grant of the General Mandate to Repurchase H Shares to the Board 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 details, please refer to the circular dated 7 June 2024 and the announcement dated 28 June 2024 of the Company.

On 8 April 2025, the Board considered and approved the "Resolution on the Shares Repurchase of COSCO SHIPPING Development (《關於中遠海運發展回購股份的議案》)", pursuant to which it proposed to repurchase A Shares by way of centralized price bidding under the General Mandate to Repurchase A Shares (the "**A Share Repurchase Plan**") and to repurchase H Shares under the General Mandate to Repurchase H Shares (the "**H Share Repurchase Arrangement**").

THE A SHARE REPURCHASE PLAN

On 28 June 2024, the Company convened the 2023 annual general meeting, the 2024 first A Share class meeting and the 2024 first H Share class meeting of the Company, which considered and approved the "Resolution to grant the Company's Board the General Mandate to Repurchase A Shares (《關於授予公司董事會回購A股股份一般性授權的議案》)" and "Resolution to grant the Company's Board the General Mandate to Repurchase H Shares (《關於授予公司董事會回購H股股份一般性授權的議案》)", which granted the General Mandate to Repurchase A Shares and the General Mandate to Repurchase H Shares to the Board, with the number of shares repurchased not exceeding 10% of the total number of issued A Shares and H Shares, respectively.

Since the closing price of the Company's A Shares was lower than its net asset value per share for the most recent period, the A Share Repurchase Plan meets the condition stipulated 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》)", which is "for the purpose of safeguarding the value of the company and the interests of shareholders". Therefore, based on the General Mandate to Repurchase A Shares, the Company does not need to submit the proposal to the general meeting for consideration.

A key summary of the A Share Repurchase Plan is as follows:

(1) Purpose of the Share Repurchase

In order to safeguard the value of the Company and the interests of the Shareholders and enhance the investors' confidence, having considered various factors including the Company's financial position, future development and reasonable valuation, the Company proposes to use its own funds or self-raised funds to repurchase A Shares, so as to promote the market price of the Company's Shares in matching their intrinsic value.

(2) Class of the Shares Proposed to be Repurchased

A Shares.

(3) Method of the Proposed Share Repurchase

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

(4) Implementation Period for the Share Repurchase

The repurchase period of A Shares shall commence from the date of approval of the A Shares Repurchase Plan by the Board to the conclusion of the 2024 annual general meeting of the Company. The 2024 annual general meeting of the Company is expected to be convened on 26 June 2025. Unless under special circumstances, the implementation period of the A Shares Repurchase Plan shall be from 9 April 2025 to 26 June 2025 or the date of a general meeting to be convened by the Company before the 2024 annual general meeting and at which a special resolution to revoke or vary such general mandate to repurchase the Company's shares is passed, whichever is the earlier.

(5) Use and Number of Shares Proposed to be Repurchased, its Proportion to the Total Share Capital of the Company and the Total Amount of Funds

All A Shares to be repurchased under the A Share 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 40 million A Shares to 80 million A Shares, representing approximately 0.2962% to 0.5924% of the total share capital of the Company as at 8 April 2025. Based on the maximum A Share repurchase price of RMB3.53 per Share, it is expected that the total funds to be used for the repurchase of A Shares would be RMB141.2 million to RMB282.4 million. The exact number of A Shares to be repurchased, the proportion to total share capital of the Company and the total amount of funds for repurchase would depend on the actual implementation of the plan.

In the event of capitalization of capital reserves, bonus issue, subdivision of shares or share consolidation during the repurchase period, the Company will adjust the number of A Shares to be repurchased accordingly pursuant to relevant requirements.

(6) Price or Price Range and Pricing Principle for the Share Repurchase

The maximum repurchase price of A Shares shall not exceed RMB3.53 per Share (inclusive of RMB3.53 per Share), being no higher than 150% of the average trading price of the A Shares for the 30 trading days prior to the date on which Board approves the relevant resolution on the share repurchase. The exact repurchase price will be determined during the implementation period of the repurchase by taking into account the price of A Shares in the secondary market, the financial position and operating conditions of the Company.

In the event of capitalization of capital reserves distribution of bonus in shares or cash, subdivision of shares, share consolidation, share placing or other matters during the period of repurchase, the Company will adjust the maximum repurchase price accordingly in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange from the ex-right and ex-dividend date of the share price.

(7) Source of Funds for the Share Repurchase

The source of funds for the repurchase of A Shares will be its own funds or self-raised funds.

(8) Specific Authorization to Handle the Share Repurchase

The authorization arrangements shall be proceeded in accordance with the General Mandate to Repurchase A Shares.

(9) Expected Changes in the Shareholding Structure of the Company after the Share Repurchase

Based on the minimum and maximum number of A Shares to be repurchased of 40 million A Shares and 80 million A Shares respectively and the latest shareholding structure of the Company as at 8 April 2025, the expected changes in the shareholding structure of the Company before and after the A Share repurchase under the A Share Repurchase Plan are as follows:

	Before the repurchase of A Shares		After the repurchase of A Shares			
			Based on the estimated minimum number of repurchase		Based on the estimated maximum number of repurchase	
Class of shares	**Number of Shares (shares)**	**Percentage of the total issued share capital**	**Number of Shares (shares)**	**Percentage of the total issued share capital**	**Number of Shares (shares)**	**Percentage of the total issued share capital**
Shares subject to selling restrictions	0	0%	0	0%	0	0%
Shares not subject to selling restrictions	13,503,718,112	100%	13,463,718,112	100%	13,423,718,112	100%
A Shares	9,827,718,112	72.78%	9,787,718,112	72.70%	9,747,718,112	72.62%
H Shares	3,676,000,000	27.22%	3,676,000,000	27.30%	3,676,000,000	27.38%
Total number of Shares	**13,503,718,112**	**100%**	**13,463,718,112**	**100%**	**13,423,718,112**	**100%**

Note: The above calculation has not taken into account the any repurchase of H Shares and is for reference only. The exact number of Shares to be repurchased and the actual changes in the shareholding structure of the Company would depend on the actual situation upon completion of the repurchase.

(10) Analysis of the Possible Impact of the A Share Repurchase Plan on the Company's Daily Operations, Financial Position, Research and Development Capabilities, Profitability, Debt Repayment Abilities, Future Development, Maintenance of Listing Status, etc.

As at 31 December 2024, the Company's total assets was RMB126.367 billion, net assets attributable to the shareholders of the listed company was RMB30.296 billion, cash and bank deposits was RMB8.702 billion. The maximum amount of repurchase funds for A Share repurchase will account for approximately 0.22%, 0.93% and 3.25% of the Company's total assets, net assets attributable to the shareholders of the listed company and cash and bank deposits as at 31 December 2024, respectively.

As calculated based on the minimum and maximum number of A Shares to be repurchased of 40 million A Shares and 80 million A Shares respectively, the proportion of A Shares to be repurchased represents approximately 0.2962% to 0.5924% of the total share capital of the Company as at 8 April 2025. After the repurchase and cancellation of the repurchased A Shares, the shareholding of COSCO SHIPPING, the indirect controlling Shareholder, and persons acting in concert with it (as defined in the "Measures for the Administration on Acquisition of Listed Companies (《上市公司收購管理辦法》)") in aggregate will increase, but this will not result in any change of control of the Company nor change of the listing status of the Company, and the shareholding structure will still be in compliance with the listing requirements.

The Board believes that such repurchase will not have any material adverse impact on the Company's daily operations, financial position, research and development capabilities, profitability, debt repayment abilities, future development and maintenance of its listing status.

THE H SHARE REPURCHASE ARRANGEMENT

In addition to the repurchase of A Shares, the Company also intends to implement the H Share Repurchase Arrangement in parallel pursuant to the General Mandate to Repurchase H Shares in accordance with the requirements of the Hong Kong Listing Rules, the Articles of Association and other applicable laws and regulations. The H Share Repurchase Arrangement is not required to be submitted to the general meeting of the Company for consideration and approval.

TAKEOVERS CODE

The Board has no intention to proceed with the aforesaid A Share Repurchase Plan and/or the H Share Repurchase Arrangement under circumstances that would trigger an obligation for COSCO SHIPPING (the indirect controlling Shareholder) and persons acting in concert with it (as defined in the Takeovers Code) to make a mandatory offer under the Takeovers Code.

RISK WARNING

1. The A Share Repurchase Plan may not be successfully implemented if the A Share price of the Company exceeds the maximum repurchase price during the repurchase period on a continuous basis.

2. The A Share Repurchase Plan may not be successfully implemented in case of reasons including significant changes in the Company's production, operations, financial position, or external objective circumstances.

3. In case of newly issue or revise of laws, regulations or regulatory documents related to the repurchase of shares, corresponding terms of the repurchase may need to be adjusted in accordance with the new regulatory requirements during the implementation of the A Share Repurchase Plan.

The repurchase decisions will be made and carried out based on the market conditions during the repurchase period, and updated information will be disclosed in a timely manner with respect to the progress of the repurchase plan. Investors are advised to pay attention to any investment risks involved.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below, and words in plural shall include the singular and vice versa, as applicable:

"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
"Articles of Association"	the articles of association of the Company, as amended, revised or supplemented from time to time
"Board"	the board of Directors of the Company
"Company" or "COSCO SHIPPING Development"	COSCO SHIPPING Development Co., Ltd.# (中遠海運發展股份有限公司), a joint stock limited company established in the PRC, the H Shares and the A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 02866) and the Shanghai Stock Exchange (Stock Code: 601866), respectively
"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
"Director(s)"	director(s) of the Company
"General Mandate to Repurchase A Shares"	the general mandate granted to the Board to repurchase A Shares not exceeding 10% of the number of A Shares in issue as at the date of passing the relevant resolutions at the 2023 annual general meeting, the 2024 first A Share class meeting and the 2024 first H Share class meeting of the Company on 28 June 2024
"General Mandate to Repurchase H Shares"	the general mandate granted to the Board to repurchase H Shares not exceeding 10% of the number of H Shares in issue as at the date of passing the relevant resolutions at the 2023 annual general meeting, the 2024 first A Share class meeting and the 2024 first H Share class meeting of the Company on 28 June 2024

"H Share(s)"	the overseas listed foreign share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the People's Republic of China
"Shareholder(s)"	holder(s) of the Share(s) of the Company
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buybacks of Hong Kong
"%"	per cent

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

Shanghai, the People's Republic of China
8 April 2025

As at the date of this announcement, the Board comprises Mr. Zhang Mingwen (Chairman), being an executive Director, Mr. Liang Yanfeng, Mr. Ip Sing Chi and Ms. Zhang Xueyan, being non-executive Directors, and Mr. Shao Ruiqing, Mr. Chan Kwok Leung and Mr. Wu Daqi, being independent non-executive Directors.

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

\# *For identification purposes only.*