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中遠海運發展股份有限公司

**COSCO SHIPPING Development Co., Ltd.***

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

**(Stock Code: 02866)**

# DISCLOSEABLE TRANSACTION REGARDING 2025 SALE-AND-LEASEBACK ARRANGEMENT

**2025 SALE-AND-LEASEBACK ARRANGEMENT**

The Board is pleased to announce that, on 26 August 2025 (after trading hours), Oriental Fleet entered into the Memorandum of Agreement and the Bareboat Charter with the Charterer, pursuant to which Oriental Fleet has agreed to (i) purchase one (1) Chartered Vessel from the Charterer at the purchase price of approximately RMB2,578.93 million; and (ii) immediately after the delivery, lease back the Chartered Vessel to Charterer at a total estimated charter hire to be payable by the Charterer of approximately RMB3,182.47 million.

**IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentages ratios calculated in accordance with the Listing Rules in respect of the 2025 Sale-and-Leaseback Arrangement and the transactions contemplated thereunder exceed 5% but are all less than 25%, the 2025 Sale-and-Leaseback Arrangement and the transactions contemplated thereunder constitute discloseable transactions of the Company which are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## INTRODUCTION

The Board is pleased to announce that, on 26 August 2025 (after trading hours), Oriental Fleet entered into the Memorandum of Agreement and the Bareboat Charter with the Charterer, pursuant to which Oriental Fleet has agreed to (i) purchase one (1) Chartered Vessel from the Charterer at the purchase price of approximately RMB2,578.93 million; and (ii) immediately after the delivery, lease back the Chartered Vessel to Charterer at a total estimated charter hire to be payable by the Charterer of approximately RMB3,182.47 million.

## 2025 SALE-AND-LEASEBACK ARRANGEMENT

The principal terms of the Memorandum of Agreement and the Bareboat Charter in respect of the Chartered Vessel are as follows:

**Date:** 26 August 2025

**Parties:** (1) Oriental Fleet, as buyer under the Memorandum of Agreement and as owner/lessor under the Bareboat Charter; and

(2) the Charterer, as seller under the Memorandum of Agreement and as charterer/lessee under the Bareboat Charter.

**Vessel:** Pursuant to the Memorandum of Agreement, the Charterer has agreed to sell, and Oriental Fleet has agreed to purchase, the Chartered Vessel for a purchase price of not exceeding RMB2,578.93 million. The consideration payable by Oriental Fleet shall be funded by the Group's internal resources and/or bank borrowings and external debt financing.

The Chartered Vessel is expected to be delivered in or around July 2029 (the "**Delivery Date**"), subject to adjustments in accordance with the relevant shipbuilding contracts involving the Charterer.

**Charter hire:** Pursuant to the Bareboat Charter, Oriental Fleet has agreed to lease back the Chartered Vessel to the Charterer at a total estimated charter hire of approximately RMB3,182.47 million. The charter hire principal and lease interest shall be paid by the Charterer to Oriental Fleet on a quarterly basis in instalments during the Lease Period (as defined below).

**Lease period:** Two hundred and forty (240) months from the Delivery Date for the Chartered Vessel ("**Lease Period**").

**Purchase obligation:** At the expiry of the Lease Period, the Charterer shall be obliged to purchase the Chartered Vessel from Oriental Fleet at US$1, payable together with the last instalment of the above charter hire.

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| **Credit enhancement measures:** | Customary credit enhancement measures are adopted in favour of Oriental Fleet, including that Oriental Fleet shall be entitled to the ownership of the Chartered Vessel upon delivery and other security rights relating to the Chartered Vessel, unless otherwise repurchased or dealt with in accordance with the terms of the 2025 Sale-and-Leaseback Arrangement. |

The terms of the Memorandum of Agreement and the Bareboat Charter (including the purchase price of the Chartered Vessel, the charter hire, the charter hire interest and other terms and conditions thereunder) were determined after arm's length negotiation between Oriental Fleet and the Charterer, with reference to (i) the entire ship cost of the Chartered Vessel pursuant to the relevant shipbuilding contracts, which is estimated at approximately RMB2,578.93 million (the "**Assumed Total Ship Cost**") by the parties; and (ii) the prevailing market practice of comparable financial leasing services in the industry.

## REASONS FOR AND BENEFITS OF 2025 SALE-AND-LEASEBACK ARRANGEMENT

With a focus on shipping and logistics industry, the Company will concentrate on the integrated development with container manufacturing, container leasing and shipping leasing business as the core businesses and underpinned by investment management, focus on COSCO SHIPPING Group's vision of "accelerating the building of a world-class shipping technology enterprise", and continuously accelerate "integrating industry and finance and facilitating industry development", so as to strive to grow into a world-class industry-finance operator in the shipping industry with COSCO SHIPPING's characteristics.

The 2025 Sale-and-leaseback Arrangement is part and parcel of the ship leasing business of the Group, the material proportion of profit and assets contribution by which demonstrates the increasing importance of the ship leasing business segment to the operation and finance of the Group. The Group is also of the view that ship leasing business has been and will continue to significantly contribute to the development of the Group.

Through the transactions under the 2025 Sale-and-leaseback Arrangement, the Company will further leverage the synergy between industry and finance, expand the scale and improve the quality of the Company's ship assets, strengthen the foundation of the development of its vessel leasing business, contribute to the stable long-term income and cash flow, enhance its overall financial soundness and reinforce its long-term development momentum. At the same time, by investing in high-quality shipping capacity featuring newer vessels with well-configured and highly versatile specifications, the Company demonstrates its support for global energy conservation, emission reduction and sustainable development strategies, and contributes to the transformation and upgrade of traditional industries.

The Directors (including the independent non-executive Directors) consider that the 2025 Sale-and-leaseback Arrangement was entered into in the ordinary and usual course of business of the Group and are on normal commercial terms, and that the terms of the 2025 Sale-and-leaseback Arrangement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## INFORMATION ON THE PARTIES

### Information on the Group

The Company is a joint stock company established under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange.

With its focus on shipping and logistics industry, the Company is committed to developing container manufacturing, container leasing and shipping leasing businesses as the core businesses and investment management as the support, to achieve the integrated development of industry-finance-investment.

Oriental Fleet is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in ship leasing business.

### Information of MOL

MOL is a company incorporated under the laws of Japan, the shares of which are listed on the Tokyo Stock Exchange (stock code: 91040). It is principally engaged in marine shipping and logistics services.

The Charterer is a company incorporated under the laws of Liberia, which is wholly-owned by MOL as at the date of this announcement. It is principally engaged in ship operations business.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of MOL, the Charterer and their ultimate beneficial owners are third parties independent of the Company and its connected persons as at the date of this announcement.

## IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentages ratios calculated in accordance with the Listing Rules in respect of the 2025 Sale-and-Leaseback Arrangement and the transactions contemplated thereunder exceed 5% but are all less than 25%, the 2025 Sale-and-Leaseback Arrangement and the transactions contemplated thereunder constitute discloseable transactions of the Company which are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless the context requires otherwise, capitalised terms used in this announcement shall have the meanings as follows:

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| "2025 Sale-and-Leaseback Arrangement" | Collectively, the Memorandum of Agreement and the Bareboat Charter and the transactions contemplated thereunder |
| "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 |
| "associate(s)" | has the meaning ascribed to it under the Listing Rules |
| "Assumed Total Ship Cost" | has the meaning ascribed to it under this announcement, which mainly encompasses shipbuilding contract price, costs for additional equipment, ship outfitting cost, supervision fee, pre-delivery interest, finance costs, legal fees, etc. estimated for the Chartered Vessel |
| "Bareboat Charter" | the bareboat charter dated 26 August 2025 entered into by Oriental Fleet and the Charterer with respect to the Chartered Vessel |
| "Board" | the board of Directors |

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| "Chartered Vessel" | a 271,000 cubic metres LNG carrier to be registered in the name of the Charterer and flagged in Liberia |
| "Charterer" | ORYX LNG NO. 10 SHIPPING CORPORATION, a company incorporated under the laws of Liberia, which is wholly-owned by MOL as at the date of this announcement |
| "Company" | COSCO SHIPPING Development Co., Ltd.# (中遠海運發展股份有限公司), a joint stock limited company established in the PRC, the H Shares and 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 |
| "connected person(s)" | has the meaning ascribed to it under the Listing Rules |
| "controlling Shareholder(s)" | has the meaning ascribed to it under the Listing Rules |
| "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 Group" | COSCO SHIPPING, its subsidiaries and/or its associates |
| "Director(s)" | director(s) of the Company |
| "Group" | the Company and its subsidiaries |
| "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 Stock Exchange" or "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Lease Period" | has the meaning ascribed to it under this announcement |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| "LNG" | liquefied natural gas |

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| "Memorandum of Agreement" | the memorandum of agreement dated 26 August 2025 entered into by Oriental Fleet and the Charterer with respect to the Chartered Vessel |
| "MOL" | Mitsui O.S.K. Lines, Ltd., a company incorporated under the laws of Japan |
| "Oriental Fleet" | Oriental Fleet SHIPPING 08 Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company |
| "percentage ratio(s)" | has the meaning ascribed to it under the Listing Rules |
| "PRC" | the People's Republic of China |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Share(s)" | A Share(s) and H Shares(s) |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "US$" | United States Dollars, the lawful currency of the United States of America |
| "%" | per cent |

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

Shanghai, the PRC
26 August 2025

*As at the date of this announcement, the Board comprises Mr. Zhang Mingwen (Chairman), being an executive director, 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 purpose only.*