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中遠海運發展股份有限公司

COSCO SHIPPING Development Co., Ltd.*

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

(Stock Code: 02866)

(1) DISCLOSEABLE TRANSACTIONS REGARDING 2025 SECOND CHINA STATE SHIPBUILDING CONTRACTS AND (2) PROPOSED CONTINUING CONNECTED TRANSACTIONS REGARDING 2025 VESSEL LEASING AGREEMENT

2025 SECOND CHINA STATE SHIPBUILDING CONTRACTS

The Board is pleased to announce that, on 30 October 2025 (after trading hours), Hainan COSCO SHIPPING Development (as the buyer) and China State Shipbuilding Industry (Dalian) (as the seller) entered into six (6) 2025 Second China State Shipbuilding Contracts on substantially the same terms in relation to the construction of six (6) 307,000 DWT VLCCs at the aggregate contract price of approximately RMB5,086,800,000 (exclusive of tax).

2025 VESSEL LEASING AGREEMENT

On the same date (after trading hours), the Board considered and approved that Hainan COSCO SHIPPING Development (as owner/lessor) and Pan Cosmos (as charterer/lessee) proposed to enter into the 2025 Vessel Leasing Agreement, pursuant to which Hainan COSCO SHIPPING Development agreed to provide vessel leasing services to Pan Cosmos in relation to the aforesaid six (6) 307,000 DWT VLCCs to be built under the 2025 Second China State Shipbuilding Contracts in aggregate, with lease period of 240 months ± 90 days commencing from the delivery date of each vessel.

IMPLICATIONS UNDER THE LISTING RULES

2025 Second China State Shipbuilding Contracts

As one or more of the applicable percentages ratios calculated in accordance with the Listing Rules in respect of the 2025 Second China State Shipbuilding Contracts and the transactions contemplated thereunder exceed 5% but are all less than 25%, the 2025 Second China State Shipbuilding Contracts 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.

2025 Vessel Leasing Agreement

As at the date of this announcement, COSCO SHIPPING Energy is a wholly-owned subsidiary of COSCO SHIPPING, a controlling Shareholder, and COSCO SHIPPING Energy Group (including Pan Cosmos) therefore is a connected person of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the proposed Annual Cap in respect of the transactions contemplated under the 2025 Vessel Leasing Agreement exceed 0.1% but are all less than 5%, the transactions under the 2025 Vessel Leasing Agreement constitute continuing connected transactions of the Company which are subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 30 October 2025 (after trading hours), Hainan COSCO SHIPPING Development (as the buyer) and China State Shipbuilding Industry (Dalian) (as the seller) entered into six (6) 2025 Second China State Shipbuilding Contracts on substantially the same terms in relation to the construction of six (6) 307,000 DWT VLCCs at the aggregate contract price of approximately RMB5,086,800,000 (exclusive of tax).

On the same date (after trading hours), the Board considered and approved that Hainan COSCO SHIPPING Development (as owner/lessor) and Pan Cosmos (as charterer/lessee) proposed to enter into the 2025 Vessel Leasing Agreement, pursuant to which Hainan COSCO SHIPPING Development agreed to provide vessel leasing services to Pan Cosmos in relation to the aforesaid six (6) 307,000 DWT VLCCs to be built under the 2025 Second China State Shipbuilding Contracts in aggregate, with lease period of 240 months ± 90 days commencing from the delivery date of each vessel.

2025 SECOND CHINA STATE SHIPBUILDING CONTRACTS

The principal terms of the 2025 Second China State Shipbuilding Contracts are as follows:

Date: 30 October 2025

Parties: With respect to the 2025 Second China State Shipbuilding Contracts:

(1) Hainan COSCO SHIPPING Development, as buyer; and

(2) China State Shipbuilding Industry (Dalian), as seller.

Subject matters: Pursuant to the 2025 Second China State Shipbuilding Contracts, China State Shipbuilding Industry (Dalian) agrees to build, launch, equip and complete at its shipyard and to sell and deliver to Hainan COSCO SHIPPING Development, and Hainan COSCO SHIPPING Development agrees to purchase and take delivery of six (6) 307,000 DWT VLCCs.

These vessels are expected to be delivered between April 2027 and November 2028, subject to the arrangements of delay in delivery as provided in the respective contracts.

Contract price and payment: The aggregate contract prices for the six (6) 307,000 DWT VLCCs to be built under each of the 2025 Second China State Shipbuilding Contracts shall be approximately RMB5,086,800,000 (exclusive of tax), subject to adjustments in accordance with the terms of the respective contracts as set out below.

The vessels are methanol and LNG dual-fuel-ready VLCCs. The abovementioned contract price was determined after arm's length negotiation between Hainan COSCO SHIPPING Development and China State Shipbuilding Industry (Dalian) with reference to the market price of the same type of vessel.

In particular, in respect of 307,000 DWT VLCCs, besides China State Shipbuilding Industry (Dalian), quotations have been obtained on the same specifications from three shipbuilders. The final quotation from China State Shipbuilding Industry (Dalian), being approximately RMB847.8 million (exclusive of tax) per vessel, falls in the mid-range among these quotations received. Taking into account both the vessel price and the fact that China State Shipbuilding Industry (Dalian) is able to complete delivery earlier than the other shipbuilders, it has been selected as the shipbuilder for the vessels.

The contract price of the vessels under the 2025 Second China State Shipbuilding Contracts shall be payable in five instalments based on progress intervals on the construction of each vessel, with smaller proportion of contract price payable in the first four instalments and the majority of the payment payable in the fifth instalment upon delivery of the respective vessels.

The contract price payable by Hainan COSCO SHIPPING Development will be funded by internal resources of the Group as to no less than 25%, and the remaining amount will be funded by bank borrowings and external debt financing.

Adjustment to contract price: The contract price payable under the 2025 Second China State Shipbuilding Contracts is subject to downward adjustments, or Hainan COSCO SHIPPING Development shall be entitled to reject the vessel(s) and rescind the respective 2025 Second China State Shipbuilding Contracts, in the event that: (i) the construction elements of the relevant vessel(s), being its speed, DWT and fuel consumption rate, fail to meet certain agreed standards under the respective 2025 Second China State Shipbuilding Contracts; or (ii) the delay in delivery of the relevant vessel(s) exceeds certain agreed time limits under the respective 2025 Second China State Shipbuilding Contracts.

Downward adjustments will be made to the contract price payable through deduction of liquidated damages from the fifth instalment of the contract price payable under the respective 2025 Second China State Shipbuilding Contracts, at the time of delivery of the vessel if the construction elements of the vessel or the delivery date fail to meet the following agreed standards pursuant to the respective 2025 Second China State Shipbuilding Contracts. The amount of liquidated damages is determined after arm's length negotiation between the parties with reference to the extent of deviation from the relevant technical specifications in respect of the relevant construction elements, the extent of delay and previous practice of downward adjustments for construction of similar types of vessels.

(1) Speed: actual trial speed of the vessel after correction is not lower than the guaranteed speed by certain agreed range in knot;

(2) DWT: actual DWT of the vessel at the time of delivery is within the range of the agreed permissible difference in metric tons;

(3) Fuel consumption rate: fuel consumption rate of the main engine measured during the vessel's platform trial is within the agreed range of permissible deviation percentage; and

(4) Delivery date: actual delivery date of the vessel does not exceed the agreed grace period.

In the event that Hainan COSCO SHIPPING Development rejects the vessel(s) and rescind the relevant 2025 Second China State Shipbuilding Contracts, China State Shipbuilding Industry (Dalian) shall refund the full amount of all sums already paid by Hainan COSCO SHIPPING Development under the relevant 2025 Second China State Shipbuilding Contracts, together with accrued interest.

Supervision and inspection: Hainan COSCO SHIPPING Development shall appoint in good time and maintain at the relevant shipyard of China State Shipbuilding Industry (Dalian), at its own cost and expense, one or more representative(s) to supervise and survey the construction of the vessels.

Modifications: The specifications and plans in accordance with which the vessels are constructed, may be modified and/or changed at any time after the date of the relevant 2025 Second China State Shipbuilding Contracts in writing by the parties thereto, provided that such modifications and/or changes or an accumulation thereof will not, according to the reasonable judgment of China State Shipbuilding Industry (Dalian), adversely affect its other commitments; and provided further that Hainan COSCO SHIPPING Development shall assent to adjustment of the contract price, time of delivery of the vessel and other terms of the relevant 2025 Second China State Shipbuilding Contracts, if any.

Conditions precedent: Each of the 2025 Second China State Shipbuilding Contracts shall only take effect upon the due execution of the 2025 Second China State Shipbuilding Contracts by the parties. This condition precedent is not waivable. As at the date of this announcement, the above condition to the effectiveness of each of the 2025 Second China State Shipbuilding Contracts has been fulfilled.

2025 VESSEL LEASING AGREEMENT

The principal terms of the 2025 Vessel Leasing Agreement are proposed as follows:

Parties:

(1) Hainan COSCO SHIPPING Development (or otherwise a subsidiary designated by COSCO SHIPPING Development), as owner/lessor; and

(2) Pan Cosmos (or otherwise a subsidiary designated by COSCO SHIPPING Energy), as charterer/lessee.

Subject matter:

Pursuant to the 2025 Vessel Leasing Agreement, Hainan COSCO SHIPPING Development has agreed to provide vessel leasing services to Pan Cosmos in relation to the six (6) vessels to be built under the 2025 Second China State Shipbuilding Contracts.

Vessels to be chartered:

The vessels to be chartered under the 2025 Vessel Leasing Agreement are the six (6) 307,000 DWT VLCCs to be built under the 2025 Second China State Shipbuilding Contracts.

Lease arrangements and period:

The lease period of each vessel shall commence from the date of delivery of each vessel, which shall be 240 months ± 90 days. Six (6) chartered vessels are expected to be delivered between 30 April 2027 and 30 November 2028.

Upon expiration of the lease period of each vessel, Pan Cosmos shall return such vessel to the Hainan COSCO SHIPPING Development.

Pricing terms and policies:

The pricing terms for vessel leasing services to be provided by Hainan COSCO SHIPPING Development to Pan Cosmos were determined by both parties through arm's length negotiation, with reference to factors such as prevailing market price by other leasing companies, vessel construction price, vessel specifications and delivery date, as well as the general pricing principles and price determination procedures under the Master Operating Lease Services Agreement. They shall be no less favorable to Hainan COSCO SHIPPING Development than the terms of vessel leasing services it provides to independent third parties of the Group.

For further details, please refer to the paragraphs headed "2025 Vessel Leasing Agreement – Rental amount" in this announcement.

Conditions precedent and effective date:

The effectiveness of the 2025 Vessel Leasing Agreement is subject to the satisfaction of following conditions:

(i) the duly execution of 2025 Vessel Leasing Agreement by Hainan COSCO SHIPPING Development and Pan Cosmos;

(ii) applicable approvals for signing and implementing the 2025 Vessel Leasing Agreement and the transactions thereunder as required by the articles of association, applicable laws and regulations as well as applicable provisions under the Listing Rules, including the applicable approvals of the Board and independent shareholders (as applicable), having been obtained by Hainan COSCO SHIPPING Development and Pan Cosmos.

The above conditions precedent are not waivable by the parties. For condition (i), the 2025 Vessel Leasing Agreement will be formally signed within five working days after approval by the Board. Besides, its effectiveness is still subject to the approval by the independent shareholders of COSCO SHIPPING Energy under condition (ii).

Rental amount

No transaction amount is expected to be incurred for the two years ending 31 December 2026 as the relevant vessels are expected to be delivered in 2027 and 2028, respectively.

Accordingly, taking into account the potential rent adjustments as detailed below, save for the two years ending 31 December 2026, the proposed Annual Cap for the vessel leasing services under the 2025 Vessel Leasing Agreement for each of the years ending 31 December 2048 shall be approximately RMB427 million. In arriving at the proposed Annual Cap, the Company has considered:

(i) ***Fixed/guaranteed rent portion –*** the expected aggregated fixed/guaranteed portion of annual rent of the relevant six vessels under lease pursuant to the 2025 Vessel Leasing Agreement, which shall be payable by Pan Cosmos monthly in advance, calculated based on the formula below:

fixed/guaranteed daily rent of such type of the relevant vessels (the average daily rent rate of which is approximately RMB134,871 (excluding tax)) × *number of relevant days under lease during each year* × *number of such relevant vessels under lease during each year*

(ii) ***Variable rent portion –*** in addition to the guaranteed portion above, the expected aggregated variable portion of annual rent of three particular vessels under lease pursuant to the 2025 Vessel Leasing Agreement, which shall be payable by Pan Cosmos quarterly in arrears, calculated based on the formula below:

*(variable daily rent linked to the Time Charter Equivalent ("**TD3C-TCE**") for the Middle East to China freight route (TD3C Route) as published by the Baltic Exchange) × number of relevant days under lease during each year × number of such relevant vessels under lease during each year*

Only if the TD3C-TCE exceeds the benchmark agreed upon by both parties, the variable daily rental shall apply and be calculated according to the following formula:

variable daily rent = (TD3C-TCE × 3.5325-92,198.25)

Based on the actual performance of TD3C-TCE since 2017 and expectations for the future market, the total variable portion of annual rent of those three vessels is estimated not to exceed RMB131 million.

The variable rent shall be calculated on a daily basis. In the event of a public holiday, the TD3C-TCE from the preceding business day shall apply.

Internal control procedures

The 2025 Vessel Leasing Agreement is a specific agreement to be made under, and shall be governed by the existing Master Operating Lease Services Agreement (and its successor framework agreement(s) to be renewed by the parties, if applicable). Accordingly, the Group will ensure that the transaction contemplated under the 2025 Vessel Leasing Agreement will be conducted within the applicable annual caps for the provision of vessel leasing services under the Master Operating Lease Services Agreement, which shall be renewable every three years upon the approval by the independent Shareholders at the general meetings of the Company. In addition to the annual review by the auditors and independent non-executive Directors pursuant to the requirements of Chapter 14A of the Listing Rules, the Company has implemented the following internal control procedures:

(i) the Company has prepared and implemented the Methods for Management of Connected Transactions (關連交易管理辦法) which sets out, among other things, the relevant requirements for and identification of connected transactions, the responsibilities of relevant departments in the conduct and management of connected transactions, reporting procedures and ongoing monitoring, with a view to ensuring compliance of the Group with applicable laws and regulations (including the Listing Rules) in relation to connected transactions;

(ii) the Company will regularly convene meetings to discuss any issues in the transactions under the continuing connected transaction agreements and recommendations for improvement;

(iii) the Company will regularly summarise the transaction amounts incurred under the respective continuing connected transaction agreements and submit periodic reports, which set out, among other things, the historical transaction amounts, the estimated future transaction amounts and the applicable annual caps, to the management of the Company. If the aforementioned transaction amount incurred reaches 80% of the respective applicable annual cap, immediate reporting will be made to the management of the Company. In doing so, the management and the relevant departments of the Company can be informed of the status of the continuing connected transactions in a timely manner such that the transactions can be conducted within the applicable annual caps;

(iv) if it is anticipated that the existing annual caps may be exceeded in the event that the Company continues to conduct the continuing connected transactions, the relevant business departments shall report to the management of the Company at least two months in advance, the Company will then take all appropriate steps in advance to revise the relevant annual caps in accordance with the relevant requirements of the Listing Rules and if necessary, refrain from further conducting the relevant continuing connected transactions until the revised annual caps are approved; and

(v) the supervision department of the Company will periodically review and inspect the progress of the relevant continuing connected transactions.

By implementing the above procedures, the Directors consider that the Company has established sufficient internal control measures to ensure that the pricing basis of each of the continuing connected transaction agreements of the Group will be on normal commercial terms (or better to the Group), fair and reasonable, in accordance with the pricing policy of the Company and in the interests of the Company and the Shareholders as a whole. The relevant departments of the Company will also collect statistics of each of the continuing connected transaction agreements of the Group on a quarterly basis to ensure that the annual caps as announced are not exceeded.

In the event that the proposed annual cap(s) will be exceeded and/or revised, the Company shall re-comply with the applicable requirements under Chapter 14A of the Listing Rules in relation to continuing connected transactions as and when required.

Independent Financial Adviser's opinion on the term

Pursuant to Rule 14A.52 of the Listing Rules, the term of an agreement for a continuing connected transaction of a listed issuer must not exceed three years except in special circumstances. As the term of the 2025 Vessel Leasing Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to explain why the 2025 Vessel Leasing Agreement requires a term that is longer than three years and to confirm that it is normal business practice for agreements of this type to be of such duration.

In assessing the reasons why the duration of the 2025 Vessel Leasing Agreement should be longer than three years, the Independent Financial Adviser has discussed with the management of the Company and considered the following factors:

(a) with a focus on shipping and logistics industry, the Group intends to concentrate on the integrated development with container manufacturing, container leasing and shipping leasing business as the core business;

(b) it is the Group's intention to focus on the full lifecycle service demands for various shipping assets, strengthen its "purchase, lease, finance and sale" industrial-financial service capabilities, and deliver premium solutions for shipping development, so as to continue to solidify its leading position in the vessel leasing industry in the PRC. The leasing of vessels under the 2025 Vessel Leasing Agreement is a development of the principal business of the Group while aligning the aforementioned development strategies of the Group;

(c) as the entering into of a shipbuilding contract usually incurs substantial investment, a relatively longer-term agreement is commercially sensible for a ship leasing company to secure a long-term investment return. The leasing of vessels under the 2025 Vessel Leasing Agreement will be accounted for as revenue in the consolidated financial statements of the Group, and will therefore provide a long-term stable income stream for the Group and hence to further strengthen the ship leasing business as well as the development of the Group. Furthermore, the 2025 Vessel Leasing Agreement employs a hybrid rent structure of "fixed rent and guaranteed sharing" to balance upside potential income during market growth with stable base income during downturns, thereby reducing cyclical operational risks and improving income stability; and

(d) the 2025 Vessel Leasing Agreement is denominated in RMB, in line with the Group's strategic goal of promoting RMB adoption in international shipping to boost its competitiveness.

In considering whether it is normal business practice for agreements of a similar nature to the 2025 Vessel Leasing Agreement to have a term of such duration, the Independent Financial Adviser has performed a desktop research and identified vessel leasing transactions with lease terms exceeding three years based on the following criteria: (i) the transactions constitute notifiable but non-connected transactions under the Listing Rules; (ii) the transactions were announced between 30 October 2024 and 29 October 2025 (the date preceding the date of this announcement), reflecting current market practice; and (iii) the transactions were announced by companies classified under the same subsector as the Group, i.e. "Industrials – Industrial Transportation – Shipping & Port Operation" according to the Hang Seng Industry Classification System. Based on the above selection criteria, the Independent Financial Adviser has identified 8 exhaustive comparable vessel leasing transactions with lease terms exceeding three years. Set out below are the details of the aforesaid comparable transactions:

Date of announcement	**Company name**	**Stock code**	**Leased assets**	**Duration of lease**
16-Oct-25	Seacon Shipping Group Holdings Limited	2409	Bulk carriers	180 months
26-Aug-25	The Company	2866	LNG carriers	240 months
30-Jun-25	Jinhui Holdings Company Limited	137	Bulk carriers	84 months
30-Apr-25	Seacon Shipping Group Holdings Limited	2409	Mini bulk carriers	60 months
23-Apr-25	CSSC (Hong Kong) Shipping Company Limited	3877	Product oil tankers	120 months
1-Apr-25	CSSC (Hong Kong) Shipping Company Limited	3877	Chemical/product oil tankers	120 months
26-Feb-25	Seacon Shipping Group Holdings Limited	2409	Bulk carrier	120 months
6-Jan-25	Seacon Shipping Group Holdings Limited	2409	Bulk carrier	120 months

As depicted by the table above, the durations of leases of the aforesaid comparable transactions ranged from 60 months to 240 months. The lease term under the 2025 Vessel Leasing Agreement is 240 months, which falls within the range of the aforesaid comparable transactions.

In addition, the Independent Financial Adviser has noted (i) the announcement of COSCO SHIPPING Energy Transportation Co., Ltd# (中遠海運能源運輸股份有限公司), the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600026) and the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 1138), dated 31 August 2023 that it has entered into leasing transactions in relation to LNG vessels with the terms of up to a maximum of 24 years (i.e. 288 months); and (ii) the announcements of China Merchants Energy Shipping Co., Ltd.# (招商局能源運輸股份有限公司), the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601872), dated 8 November 2023, 3 April 2024 and 6 May 2024 that it has entered into leasing transactions in relation to LNG vessels with the terms of up to the maxima of 25 years (i.e. 300 months), 25 years (i.e. 300 months) and 30 years (i.e. 360 months) respectively.

Taking into consideration that (i) the lease term under the 2025 Vessel Leasing Agreement falls within the range of the aforesaid comparable transactions; (ii) a longer-term agreement is commercially sensible for a ship leasing company to secure a long-term investment return; and (iii) the lease term of 20 years or more is not uncommon as evidenced by the aforementioned leased transactions entered into by the Company, COSCO SHIPPING Energy Transportation Co., Ltd# and China Merchants Energy Shipping Co., Ltd.# respectively, the Independent Financial Adviser concur with the Directors that it is normal business practice for agreements of a similar nature to the 2025 Vessel Leasing Agreement to be of a lease term of 240 months.

Based on the above considerations, the Independent Financial Adviser is of the opinion that (i) the 2025 Vessel Leasing Agreement is required to be of a term exceeding three years; and (ii) it is normal business practice for agreements of this type to be of such duration.

REASONS FOR AND BENEFITS OF THE 2025 SECOND CHINA STATE SHIPBUILDING CONTRACTS AND THE 2025 VESSEL LEASING AGREEMENT

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 Company actively serves the national energy transportation security strategy, responds to the green and low-carbon development trend of the shipping industry, further implements its strategic development plan for a shipping industry-finance operator, and enhances its value discovery and value creation capabilities. Through the transactions under the 2025 Second China State Shipbuilding Contracts and the 2025 Vessel Leasing Agreement, the Company will further leverage the synergy between industry and finance, expand the scale and improve the quality of the Company's ship assets, diversify vessel asset types, 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. The post-construction operational lease under the 2025 Vessel Leasing Agreement will adopt a rent structure combining "fixed rent and guaranteed-sharing" models, allowing to capture upside during market up-cycles while securing base income during down-cycles, thereby mitigating operational risks from cyclical fluctuations and enhancing the project's overall stability and income predictability. In addition, leveraging the policy benefits of the Hainan Free Trade Port, the Company will deepen collaboration with upstream and downstream enterprises along the shipping industry chain to explore use cases for RMB in "manufacturing, leasing and shipping", further advancing the implementation of the use of RMB in the international shipping sector and enhancing its market competitiveness.

The Directors (including the independent non-executive Directors) consider that the 2025 Second China State Shipbuilding Contracts and the 2025 Vessel Leasing Agreement were 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 Second China State Shipbuilding Contracts and the 2025 Vessel Leasing Agreement (and the proposed annual caps thereunder) 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 a focus on the integrated logistics industry, the Group will develop container manufacturing, container leasing and shipping leasing business as the core business and shipping supply chain finance services as auxiliary business, take full advantage of the support from investment management and achieve industry-finance-investment integrated development.

Hainan COSCO SHIPPING Development is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in vessel leasing and vessel operation.

Information on China State Seller

China State Shipbuilding Industry (Dalian), a company established under the laws of the PRC with limited liability, is a wholly-owned subsidiary of China Shipbuilding Industry Company Limited (中國船舶重工股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 601989) and is indirectly controlled by China State Shipbuilding Corporation Limited (中國船舶集團有限公司), which is in turn wholly-owned by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. It is principally engaged in the shipbuilding business.

China Shipbuilding Trading is a company established in the PRC with limited liability and is a direct wholly-owned subsidiary of China State Shipbuilding Corporation Limited (中國船舶集團有限公司). It is principally engaged in import and export of goods, technology, and export agency; technology development, promotion, transfer, technical consultancy and services; and research and development, design and leasing of vessels.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of China State Shipbuilding Industry (Dalian), China Shipbuilding Trading and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Information on COSCO SHIPPING Energy Group

COSCO SHIPPING Energy is 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 Hong Kong Stock Exchange (Stock Code: 1138) and the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600026). COSCO SHIPPING Energy Group is principally engaged in investment holding, oil shipment along the coast of the PRC and internationally, international liquefied natural gas shipment, liquefied petroleum gas shipment, chemicals shipment and vessel chartering.

Pan Cosmos is a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of COSCO SHIPPING Energy, principally engaged in the operation and management of ships.

IMPLICATIONS UNDER THE LISTING RULES

2025 Second China State Shipbuilding Contracts

Pursuant to Rule 14.22 of the Listing Rules, a series of transactions may require aggregation and be treated as if they were one transaction if they are all completed within a 12-month period or are otherwise related. While the counterparties to the 2025 China State Shipbuilding Contracts and the 2025 Second China State Shipbuilding Contracts are all controlled by China State Shipbuilding Corporation Limited and such transactions may be completed within a 12-month period, they shall not be required to be aggregated and treated as if they are one transaction pursuant to Rule 14.22 of the Listing Rules on the following basis:

(i) the 2025 China State Shipbuilding Contracts and the 2025 Second China State Shipbuilding Contracts were not made pursuant to a master agreement or considered as one package deal. Instead, they were negotiated on an arm's length basis and concluded separately;

(ii) the commercial intention and decision to proceed the 2025 Second China State Shipbuilding Contracts is genuine and made in good faith after reviewing the latest business development and prospect of the Group, which are believed to be beneficial to the Company and its Shareholders as a whole. There is no intention to "split" an otherwise large transaction into smaller transactions to circumvent any requirements under the Listing Rules;

(iii) the type and operational purpose of vessels involved in the 2025 China State Shipbuilding Contracts and the 2025 Second China State Shipbuilding Contracts are different. For instance, the former includes methanol- and ammonia-ready Newcastlemax bulk cargo vessels of higher carrying capacity at 211,000 DWT, whereas the latter involves 307,000 DWT methanol and LNG dual-fuel-ready VLCCs. Hence, they are functional on their own and do not form part of a single asset; and

(iv) entering into the 2025 China State Shipbuilding Contracts and the 2025 Second China State Shipbuilding Contracts would not lead to substantial involvement by the Group in a new business activity, as they are already essential and integrated to the existing principal business (i.e., ship leasing business) of the Group.

As one or more of the applicable percentages ratios calculated in accordance with the Listing Rules in respect of the 2025 Second China State Shipbuilding Contracts and the transactions contemplated thereunder exceed 5% but are all less than 25%, the 2025 Second China State Shipbuilding Contracts 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.

None of the Directors has a material interest in the 2025 Second China State Shipbuilding Contracts and the transactions contemplated thereunder. Therefore, no Director has abstained from voting on the Board resolutions approving the 2025 Second China State Shipbuilding Contracts and the transactions contemplated thereunder.

2025 Vessel Leasing Agreement

As at the date of this announcement, COSCO SHIPPING Energy is a wholly-owned subsidiary of COSCO SHIPPING, a controlling Shareholder, and COSCO SHIPPING Energy Group (including Pan Cosmos) therefore is a connected person of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the proposed Annual Cap in respect of the transactions contemplated under the 2025 Vessel Leasing Agreement exceed 0.1% but are all less than 5%, the transactions under the 2025 Vessel Leasing Agreement constitute continuing connected transactions of the Company which are subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since the initial term under the 2025 Vessel Leasing Agreement exceeds three years, pursuant to Rule 14A.52 of the Listing Rules, an independent financial adviser is required to explain why the 2025 Vessel Leasing Agreement requires a period longer than three years and confirm that it is normal business practice for agreements of this type to be of such duration. The Independent Financial Adviser has been appointed and expressed its opinion in this regard in the section headed "2025 Vessel Leasing Agreement – Independent Financial Adviser's opinion on the term" above in this announcement.

Mr. Zhang Mingwen, Mr. Wang Kunhui, Mr. Ip Sing Chi and Ms. Zhang Xueyan, who hold directorship(s) or act as senior management in COSCO SHIPPING and/or its associates and were nominated by China Shipping to the Board, have abstained from voting on the relevant Board resolutions approving the 2025 Vessel Leasing Agreement and the transactions contemplated thereunder. Save as aforementioned, none of the other Directors has a material interest in the 2025 Vessel Leasing Agreement and the transactions contemplated thereunder. Therefore, no other Director has abstained from voting on such Board resolutions.

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

"2025 China State Shipbuilding Contracts"	the shipbuilding contracts dated 29 July 2025 entered into between Hainan COSCO SHIPPING Development (as buyer) and CSSC Qingdao Beihai Shipbuilding Co., Ltd. (中國船舶集團青島北海造船有限公司) and China Shipbuilding Trading (collectively as seller) in relation to the construction of four (4) 211,000 DWT-class bulk cargo vessels, the details of which are set out in the announcement of the Company dated 29 July 2025
"2025 Second China State Shipbuilding Contracts"	the shipbuilding contracts dated 30 October 2025 entered into between Hainan COSCO SHIPPING Development (as buyer) and China State Seller (collectively as seller) in relation to the construction of six (6) 307,000 DWT VLCCs, the details of which are set out in this announcement
"2025 Vessel Leasing Agreement"	the time charter agreement to be entered into between Hainan COSCO SHIPPING Development (as owner/lessor) and Pan Cosmos (as charterer/lessee), the details of which are set out in this announcement
"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
"Annual Cap"	the expected aggregated annual rent of vessels under lease payable by COSCO SHIPPING Energy to Hainan COSCO SHIPPING Development pursuant to the 2025 Vessel Leasing Agreement, which shall be subject to and does not exceed the annual cap under the Master Operating Lease Services Agreement
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"China Shipbuilding Trading"	China Shipbuilding Trading Co., Ltd. (中國船舶工業貿易有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of China State Shipbuilding Corporation Limited (中國船舶集團有限公司)

"China Shipping"	China Shipping Group Company Limited# (中國海運集團有限公司), a PRC state-owned enterprise, a direct controlling shareholder of the Company and a wholly-owned subsidiary of COSCO SHIPPING
"China State Seller"	collectively, China State Shipbuilding Industry (Dalian) and China Shipbuilding Trading
"China State Shipbuilding Industry (Dalian)"	Dalian Shipbuilding Industry Co., Ltd. (大連船舶重工集團有限公司), a company established under the laws of the PRC with limited liability and indirectly controlled by China State Shipbuilding Corporation Limited (中國船舶集團有限公司)
"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 Energy"	COSCO SHIPPING Energy Transportation Co., Ltd.# (中遠海運能源運輸股份有限公司), a joint stock limited company established in the PRC, whose H shares and A shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 1138) and the Shanghai Stock Exchange (Stock Code: 600026), respectively
"COSCO SHIPPING Energy Group"	COSCO SHIPPING Energy and its subsidiaries
"COSCO SHIPPING Group"	COSCO SHIPPING, its subsidiaries and/or its associates (excluding the Group)
"Director(s)"	director(s) of the Company

"DWT"	deadweight tonnage, a standard unit of measurement of the maximum weight a ship can carry
"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
"Hainan COSCO SHIPPING Development"	Hainan COSCO SHIPPING Development Co., Ltd.# (海南中遠海運發展有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"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
"Independent Financial Adviser"	TC Capital International Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, being the independent financial adviser to advise the explanation as to why the 2025 Vessel Leasing Agreement requires a period longer than three years and confirmation that it is normal business practice for agreements of this type to be of such duration pursuant to Rule 14A.52 of the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"LNG"	liquefied natural gas
"Master Operating Lease Services Agreement"	the master operating lease services agreement dated 30 November 2022 entered into between the Company and COSCO SHIPPING in respect of the provision of operating lease services by the Group to the COSCO SHIPPING Group, and the purchase of operating lease services by the COSCO SHIPPING Group from the Group, which was approved by the independent Shareholders at the Company's extraordinary general meeting dated 19 December 2022

"Pan Cosmos"	Pan Cosmos Shipping & Enterprises Co., Ltd. (寰宇船務企業有限公司), a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of COSCO SHIPPING Energy
"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)
"VLCC"	Very Large Crude Oil Carrier
"%"	per cent

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

Shanghai, the PRC
30 October 2025

As at the date of this announcement, the Board comprises Mr. Zhang Mingwen (Chairman) and Mr. Wang Kunhui, being executive directors, 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.