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

If you have sold or transferred all your shares in COSCO SHIPPING Development Co., Ltd.*, you should at once hand this circular and the form of proxy to the purchaser or transferee or to licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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) MAJOR AND CONNECTED TRANSACTIONS REGARDING 2025 SECOND HEAVY INDUSTRY SHIPBUILDING CONTRACTS
(2) CONTINUING CONNECTED TRANSACTIONS AND MAJOR AND CONTINUING CONNECTED TRANSACTION REGARDING CERTAIN MASTER AGREEMENTS
(3) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND
(4) NOTICE OF THE EGM

Independent Financial Adviser to
the Independent Board Committee and Independent Shareholders

金聯資本 Goldlink Capital

Capitalised terms used in this cover shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 10 to 64 of this circular and the letter from the Independent Board Committee is set out on pages 65 to 66 of this circular. A letter from Goldlink Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on 67 to 102 of this circular.

A notice convening the EGM to be held at 1:30 p.m. on Monday, 15 December 2025 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC is set out on pages EGM-1 to EGM-3 of this circular. For the avoidance of doubt and for the purpose of the Listing Rules, holders of treasury Shares (if any) shall abstain from voting at the EGM.

* *The Company is a registered non-Hong Kong company as defined in 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.".*

28 November 2025

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In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

"2025 Second Heavy Industry Shipbuilding Contracts"	the shipbuilding contracts dated 30 October 2025 entered into between COSCO SHIPPING Development (Hainan) (as buyer) and Heavy Industry (Dalian) (as seller) in relation to the construction of twenty-three (23) 87,000 DWT bulk cargo vessels, the details of which are set out in this circular
"2025 Second Vessel Leasing Agreement"	the principal terms of time charter agreed on 30 October 2025 between COSCO SHIPPING Development (Hainan) (as owner/ lessor) and COSCO SHIPPING Bulk (as charterer/lessee)
"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
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"China Shipping"	China Shipping Group Company Limited# (中國海運集團有限公司), a PRC state-owned enterprise, the controlling shareholder of the Company and a wholly-owned subsidiary of COSCO SHIPPING
"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
"Computershare"	Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company
"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 Bulk"	COSCO SHIPPING Bulk Co., Ltd.# (中遠海運散貨運輸有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
"COSCO SHIPPING Bulk Group"	COSCO SHIPPING Bulk and its subsidiaries and/or associates (as the context may require)
"COSCO SHIPPING Development (Hainan)"	Hainan COSCO SHIPPING Development Navigation Company Limited.# (海南中遠海發航運有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"COSCO SHIPPING Finance"	COSCO SHIPPING Finance Group Co., Ltd.# (中遠海運集團財務有限責任公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of COSCO SHIPPING
"COSCO SHIPPING Group"	COSCO SHIPPING, its subsidiaries and/or its associates (excluding the Group)
"COSCO SHIPPING Heavy Industry"	COSCO SHIPPING Heavy Industry Co., Ltd.# (中遠海運重工有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
"COSCO SHIPPING Investment"	COSCO SHIPPING Investment Holding Co., Ltd.# (中遠海運投資控股有限公司), formerly known as COSCO SHIPPING Financial Holdings Co., Ltd.# (中遠海運金融控股有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of China Shipping
"Delivery Date"	has the meaning ascribed to it under this circular
"Director(s)"	director(s) of the Company
"DWT"	deadweight tonnage, a standard unit of measurement of the maximum weight a ship can carry
"EGM"	the extraordinary general meeting of the Company to be convened at 1:30 p.m. on Monday, 15 December 2025 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC (or any adjournment thereof) to consider and, if thought fit, approve, the resolutions contained in the notice of EGM

"Existing Continuing Connected Transaction Agreements"	collectively, (i) the Existing Master Operating Lease Services Agreement; (ii) the Existing Master Finance Lease Services Agreement; (iii) the Existing Master Vessel Services Agreement; (iv) the Existing Master Containers Services Procurement Agreement; (v) the Existing Master General Services Agreement; (vi) the Existing Master Tenancy Agreement; (vii) the Existing Trademark License Agreement; and (viii) the Existing Master Financial Services Agreement
"Existing Management Services Agreement"	the existing management services agreement dated 16 September 2022 entered into by and among COSCO SHIPPING, the Company and COSCO SHIPPING Investment and renewed automatically on 1 September 2025, in respect of the provision of the management services by the Company
"Existing Master Containers Services Procurement Agreement"	the existing master containers services procurement agreement dated 30 November 2022 entered into between the Company and COSCO SHIPPING in respect of the mutual provision/ purchase of container and other ancillary services by the Group and the COSCO SHIPPING Group
"Existing Master Finance Lease Services Agreement"	the existing master finance lease services agreement dated 30 November 2022 entered into between the Company and COSCO SHIPPING in respect of the provision of finance lease services by the Group to the COSCO SHIPPING Group
"Existing Master Financial Services Agreement"	the existing master financial services agreement dated 30 November 2022 entered into between the Company and COSCO SHIPPING Finance in respect of the provision of financial services by COSCO SHIPPING Finance to the Group

"Existing Master General Services Agreement"	the existing master general services agreement dated 30 November 2022 entered into between the Company and COSCO SHIPPING in respect of the provision of general services by the COSCO SHIPPING Group to the Group
"Existing Master Operating Lease Services Agreement"	the existing 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
"Existing Master Tenancy Agreement"	the existing master tenancy agreement dated 30 November 2022 entered into between the Company and COSCO SHIPPING in respect of the provision of property leasing services
"Existing Master Vessel Services Agreement"	the existing master vessel services agreement dated 30 November 2022 entered into between the Company and COSCO SHIPPING in respect of the provision of vessel and other ancillary services by the COSCO SHIPPING Group to the Group
"Existing Trademark License Agreement"	the existing trademark license agreement dated 30 November 2022 entered into between the Company and COSCO SHIPPING in respect of the grant of a non-exclusive license to the Group
"Financial Services Agreement"	the Financial Services Agreement dated 30 October 2025 entered into between the Company and COSCO SHIPPING Finance in respect of the provision of financial services by COSCO SHIPPING Finance to the Group, and the purchase of financial services by the Group from COSCO SHIPPING Finance
"Fully Exempt Continuing Connected Transaction"	the transactions contemplated under the Trademark License Agreement
"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
"Heavy Industry (Dalian)"	COSCO SHIPPING Heavy Industry (Dalian) Co., Ltd. (大連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

"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"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 Board Committee"	the independent board committee of the Company comprising Mr. Shao Ruiqing, Mr. Chan Kwok Leung and Mr. Wu Daqi, being all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps
"Independent Financial Adviser" or "Goldlink Capital"	Goldlink Capital (Corporate Finance) Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps
"Independent Shareholder(s)"	the Shareholder(s) other than (i) COSCO SHIPPING and its associates and (ii) all other Shareholder(s) (if any) who is or are involved or interested in the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps
"Latest Practicable Date"	26 November 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Major and Continuing Connected Transaction"	the deposit services to be provided by COSCO SHIPPING Finance to the Group under the Financial Services Agreement

"Management Services Agreement"	the management services agreement dated 30 October 2025 entered into by and among COSCO SHIPPING, the Company and COSCO SHIPPING Investment in respect of the provision of the management services by the Company
"Master Containers Services Agreement"	the master containers services agreement dated 30 October 2025 entered into between the Company and COSCO SHIPPING in respect of the mutual provision/purchase of container and other ancillary services by the Group and the COSCO SHIPPING Group
"Master Finance Lease Services Agreement"	the master finance lease services agreement dated 30 October 2025 entered into between the Company and COSCO SHIPPING in respect of the provision of finance lease services by the Group to the COSCO SHIPPING Group, and the purchase of finance lease services by the COSCO SHIPPING Group from the Group
"Master General Services Agreement"	the master general services agreement dated 30 October 2025 entered into between the Company and COSCO SHIPPING in respect of the provision of general services by the COSCO SHIPPING Group to the Group, and the purchase of general services by the Group from the COSCO SHIPPING Group
"Master Operating Lease Services Agreement"	the master operating lease services agreement dated 30 October 2025 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
"Master Tenancy Agreement"	the master tenancy agreement dated 30 October 2025 entered into between the Company and COSCO SHIPPING in respect of the provision of property leasing services by the COSCO SHIPPING Group to the Group, and the purchase of property leasing services by the Group from the COSCO SHIPPING Group
"Master Vessel Services Agreement"	the master vessel services agreement dated 30 October 2025 entered into between the Company and COSCO SHIPPING in respect of the provision of vessel and other ancillary services by the COSCO SHIPPING Group to the Group, and the purchase of vessel and other ancillary services by the Group from the COSCO SHIPPING Group
"Mr. Zheng"	Mr. Zheng Xiaozhe (鄭曉哲)
"NAFR"	National Administration of Financial Regulation (國家金融監督管理總局)

"Nomination Committee"	the nomination committee of the Company
"Non-exempt Continuing Connected Transactions"	collectively, (i) the transactions contemplated under the Master Operating Lease Services Agreement; (ii) the transactions contemplated under the Master Vessel Services Agreement; (iii) the transactions contemplated under the Master Containers Services Agreement (the products and services to be provided by the Group); and (iv) the transactions contemplated under the Master Containers Services Agreement (the services to be provided to the Group)
"October 30 Announcements"	the announcements of the Company dated 30 October 2025, in relation to, among other things, the 2025 Second Heavy Industry Shipbuilding Contracts and the Relevant Continuing Connected Transactions
"Partially Exempt Continuing Connected Transactions"	collectively, (i) the transactions contemplated under the Master Finance Lease Services Agreement; (ii) the transactions contemplated under the Master General Services Agreement; (iii) the transactions contemplated under the Master Tenancy Agreement; and (iv) the transactions contemplated under the Management Services Agreement
"PBOC"	the People's Bank of China (中國人民銀行)
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"PRC"	the People's Republic of China
"Proposed Annual Caps"	the proposed annual caps for the three years ending 31 December 2028
"Proposed Appointment"	the proposed appointment of Mr. Zheng as a non-executive Director

"Relevant Continuing Connected Transactions" or "Master Agreements"	collectively, (i) the transactions contemplated under the Master Operating Lease Services Agreement; (ii) the transactions contemplated under the Master Finance Lease Services Agreement; (iii) the transactions contemplated under the Master Vessel Services Agreement; (iv) the transactions contemplated under the Master Containers Services Agreement; (v) the transactions contemplated under the Master General Services Agreement; (vi) the transactions contemplated under the Master Tenancy Agreement; (vii) the transactions contemplated under the Trademark License Agreement; (viii) the transactions contemplated under the Management Services Agreement; and (ix) the transactions contemplated under the Financial Services Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council of the PRC (國務院國有資產監督管理委員會)
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Shanghai Listing Rules"	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
"Share(s)"	A Share(s) and H Shares(s)
"Shareholder(s)"	holder(s) of the Share(s)

"Target Equities"	the assets held directly or indirectly by China Shipping through COSCO SHIPPING Investment, including but not limited to COSCO SHIPPING Investment and its wholly-owned subsidiaries, companies which COSCO SHIPPING Investment has a controlling interest or actual control right, equity interests in certain enterprises and investment in other investment products
"Trademark License Agreement"	the trademark license agreement dated 30 October 2025 entered into between the Company and COSCO SHIPPING in respect of the grant of a non-exclusive license to the Group
"treasury Share(s)"	has the meaning ascribed to it under the Listing Rules
"US$"	United States dollar(s), the lawful currency of the United States of America
"Waiver"	has the meaning ascribed to it under this circular
"%"	per cent

* *The Company is a registered non-Hong Kong company as defined in 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.

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)

Executive Director:
Mr. Zhang Mingwen *(Chairman)*
Mr. Wang Kunhui

Non-executive Directors:
Mr. Ip Sing Chi
Ms. Zhang Xueyan

Independent Non-executive Directors:
Mr. Shao Ruiqing
Mr. Chan Kwok Leung
Mr. Wu Daqi

Legal address in the PRC:
Room A–538
International Trade Center
Lin-gang Special Area of the Shanghai Pilot
Free Trade Zone
Shanghai
The PRC

Principal place of business in the PRC:
No.1 Building, Lane 1318 Shangcheng Road
Pudong New Area
Shanghai
The PRC

Principal place of business in Hong Kong:
51/F, COSCO Tower
183 Queen's Road Central
Hong Kong

28 November 2025

To the Shareholders

Dear Sir/Madam,

(1) MAJOR AND CONNECTED TRANSACTIONS REGARDING 2025 SECOND HEAVY INDUSTRY SHIPBUILDING CONTRACTS (2) CONTINUING CONNECTED TRANSACTIONS AND MAJOR AND CONTINUING CONNECTED TRANSACTION REGARDING CERTAIN MASTER AGREEMENTS AND (3) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR

I. INTRODUCTION

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

At the EGM, ordinary resolutions will be proposed to approve, among other things, (i) the 2025 Second Heavy Industry Shipbuilding Contracts and transactions contemplated thereunder, (ii) the Non-exempt Continuing Connected Transactions entered into between the Company and COSCO SHIPPING and the Proposed Annual Caps thereunder; (iii) the continuing connected transactions under the Financial Services Agreement entered into between the Company and COSCO SHIPPING Finance and its Proposed Annual Caps, respectively; and (iv) the proposed appointment of Mr. Zheng as a non-executive Director.

II. 2025 SECOND HEAVY INDUSTRY SHIPBUILDING CONTRACTS

Background

Reference is made to the October 30 Announcements in relation to, among other things, the entering into of the 2025 Second Heavy Industry Shipbuilding Contracts and the Relevant Continuing Connected Transactions.

On 30 October 2025 (after trading hours), COSCO SHIPPING Development (Hainan) (as the buyer) and Heavy Industry (Dalian) (as the seller) entered into twenty-three (23) 2025 Second Heavy Industry Shipbuilding Contracts on substantially the same terms in relation to the construction of twenty-three (23) 87,000 DWT bulk cargo vessels at the aggregate contract price of approximately RMB7,337,000,000 (exclusive of tax).

On the same date (after trading hours), COSCO SHIPPING Development (Hainan) (as owner/lessor) and COSCO SHIPPING Bulk (as charterer/lessee) entered into the 2025 Second Vessel Leasing Agreement, pursuant to which COSCO SHIPPING Development (Hainan) has agreed to provide vessel leasing services to COSCO SHIPPING Bulk Group in relation to the aforesaid twenty-three (23) 87,000 DWT bulk cargo vessels to be built under the 2025 Second Heavy Industry Shipbuilding Contracts in aggregate, with lease period of 240 months ± 180 days commencing from the delivery date of each vessel.

For details of the 2025 Second Vessel Leasing Agreement, please refer to the October 30 Announcement. In accordance with the Listing Rules, the 2025 Second Heavy Industry Shipbuilding Contracts will be submitted for the Independent Shareholders' consideration and approval at the EGM by way of ordinary resolution, the details of which will be set out in this circular.

Principal terms

The principal terms of the 2025 Second Heavy Industry Shipbuilding Contracts are as follows:

Date: 30 October 2025

Parties: With respect to the 2025 Second Heavy Industry Shipbuilding Contracts:

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

(2) Heavy Industry (Dalian), as seller.

Subject matters:

Pursuant to the 2025 Second Heavy Industry Shipbuilding Contracts, Heavy Industry (Dalian) agrees to build, launch, equip and complete at its shipyard and to sell and deliver to COSCO SHIPPING Development (Hainan), and COSCO SHIPPING Development (Hainan) agrees to purchase and take delivery of twenty-three (23) 87,000 DWT bulk cargo vessels.

These vessels are expected to be delivered between May 2027 and the end of 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 twenty-three (23) 87,000 DWT bulk cargo vessels to be built under each of the 2025 Second Heavy Industry Shipbuilding Contracts shall be approximately RMB7,337,000,000 (exclusive of tax), subject to adjustments in accordance with the terms of the respective contracts as set out below.

The vessels are methanol-ready eco-friendly bulk cargo vessels. The abovementioned contract price was determined after arm's length negotiation between COSCO SHIPPING Development (Hainan) and Heavy Industry (Dalian) with reference to the market price of the same type of vessel.

In particular, in respect of 87,000 DWT bulk cargo vessels, besides Heavy Industry (Dalian), quotations have been obtained on the same specifications from three shipbuilders, of which two others are independent shipbuilders. The final quotation from Heavy Industry (Dalian) is approximately RMB319 million (exclusive of tax) per vessel, which is in line with other shipbuilders. Heavy Industry (Dalian) has been selected as the shipbuilder of the vessels after taking into account the vessel price and the ability of Heavy Industry (Dalian) to deliver more vessels during the delivery period as compared with other shipbuilders.

The contract price of the vessels under the 2025 Second Heavy Industry 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 COSCO SHIPPING Development (Hainan) 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. In respect of the latter, as at the Latest Practicable Date, the Group is currently applying for credit facilities with three independent domestic banks to fund the contract price, and the funding arrangements are expected to be finalised and completed in accordance with the instalment payment schedule before the delivery of vessels pursuant to the 2025 Second Heavy Industry Shipbuilding Contracts.

Each of COSCO SHIPPING Development (Hainan) (as buyer) and Heavy Industry (Dalian) (as seller) shall pay accrued interests applicable in the event that it fails to fulfil obligations under the relevant 2025 Second Heavy Industry Shipbuilding Contracts or upon the rescission thereof (as the case may be).

Adjustment to contract price:

The contract price payable under the 2025 Second Heavy Industry Shipbuilding Contracts is subject to downward adjustments, or COSCO SHIPPING Development (Hainan) shall be entitled to reject the vessel(s) and rescind the respective 2025 Second Heavy Industry 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 Heavy Industry Shipbuilding Contracts; or (ii) the delay in delivery of the relevant vessel(s) exceeds certain agreed time limits under the respective 2025 Second Heavy Industry 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 Heavy Industry 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 Heavy Industry 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.

The maximum amount of liquidated damages for each vessel under the 2025 Second Heavy Industry Shipbuilding Contracts shall be approximately RMB9.1 million.

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

Supervision and inspection: COSCO SHIPPING Development (Hainan) shall appoint in good time and maintain at the relevant shipyard of Heavy 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 Heavy Industry 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 Heavy Industry (Dalian), adversely affect its other commitments; and provided further that COSCO SHIPPING Development (Hainan) shall assent to adjustment of the contract price, time of delivery of the vessel and other terms of the relevant 2025 Second Heavy Industry Shipbuilding Contracts, if any.

Conditions precedent:

Each of the 2025 Second Heavy Industry Shipbuilding Contracts shall only take effect upon the following conditions:

(1) the due execution of the 2025 Second Heavy Industry Shipbuilding Contracts by the authorized representatives of the parties thereto, stamped with such parties' chops;

(2) the respective internal approvals of the 2025 Second Heavy Industry Shipbuilding Contracts having been obtained by the parties thereto; and

(3) the approval of the 2025 Second Heavy Industry Shipbuilding Contracts by the Shareholders' meeting having been obtained by the Company.

As at the Latest Practicable Date, the conditions (1) and (2) to the effectiveness of each of the 2025 Second Heavy Industry Shipbuilding Contracts have been fulfilled.

In addition, the 2025 Second Heavy Industry Shipbuilding Contracts are also subject to approval at a Shareholders' meeting of the Company. Therefore, their effectiveness is still subject to the approval by the Independent Shareholders at the EGM.

The above conditions precedent are not waivable by the parties.

The 2025 Second Heavy Industry Shipbuilding Contracts are expected to be completed no later than the end of 2028 upon delivery of the relevant vessels, subject to the delay arrangements provided in the respective contracts.

Financial Effects of the 2025 Second Heavy Industry Shipbuilding Contracts

Based on a preliminary assessment, following completion of the 2025 Second Heavy Industry Shipbuilding Contracts and upon delivery of the vessels to be built under the 2025 Second Heavy Industry Shipbuilding Contracts, such vessels will be accounted for as the property, plant and equipment and recognised as one of the total assets in the consolidated financial statements of the Group based on their respective acquisition costs, which is expected to increase by approximately RMB7.337 billion in aggregate. It is expected that there will not be any significant immediate effect on the net assets of the Group as the increase in property, plant and equipment will be offset by the decrease in cash (which shall be no less than 25% of such purchase price) and the increase in liabilities due to the obtaining of bank borrowings and/or external debt financing (which shall be no more than 75% of such purchase price) for the payment of the purchase price of the vessels, depending on the actual financing arrangement to settle the consideration. As part of the contract price for the vessels under the 2025 Second Heavy Industry Shipbuilding Contracts is contemplated to be funded by bank borrowings and external debt financing, they may lead to an increase in the Company's debt-to-equity ratio; however, such impact is not expected to be material to the Group as the consideration will be payable in instalments tied to construction progress for each vessel. In addition, the Company will continue to focus on building up operational accumulations and optimize resource allocation to effectively manage its leverage.

For the leasing of the vessels to be built under the 2025 Second Heavy Industry Shipbuilding Contracts, they will be chartered to the COSCO SHIPPING Bulk Group upon delivery pursuant to the 2025 Second Vessel Leasing Agreement. It is expected that the annual income derived from the relevant vessels after delivery will be no more than approximately RMB549.971 million, taking into account the expected rent adjustments due to equipment upgrades, modification and optimisation of vessels as disclosed in the relevant October 30 Announcement.

The above estimates may differ from the actual financial effect of the relevant contracts. The above analysis is for illustrative purposes only and does not represent the actual financial performance and position of the Company after completion of the 2025 Second Heavy Industry Shipbuilding Contracts, which shall be subject to final audit by auditors of the Group.

Reasons for and Benefits of the 2025 Second Heavy Industry Shipbuilding Contracts

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 construction of vessels under the 2025 Second Heavy Industry Shipbuilding Contracts and the subsequent leasing of such vessels by the Group to the COSCO SHIPPING Bulk Group, are part and parcel of the overall operating lease arrangements between the Group and the COSCO SHIPPING Bulk Group. The material proportion of profit and assets contribution by ship leasing business of the Group 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.

The Company actively responds to the green and low-carbon development trend of the shipping industry, continues to implement 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 Heavy Industry Shipbuilding Contracts, 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 green, environmentally friendly, 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. In addition, building on its accumulated experience, 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, whose view is also set out in the Letter from the Independent Board Committee of this circular) consider that the 2025 Second Heavy Industry Shipbuilding Contracts 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 Heavy Industry Shipbuilding Contracts are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Information of 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.

COSCO SHIPPING Development (Hainan) 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 Heavy Industry (Dalian)

Heavy Industry (Dalian) is a company established in the PRC with limited liability and is a direct wholly-owned subsidiary of COSCO SHIPPING Heavy Industry and therefore is an indirect wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in the business of ship designing, manufacturing and repair.

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 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder exceed 25% but are all less than 100%, the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder constitute major transactions of the Company which are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 6,123,503,998 A Shares and 100,944,000 H Shares, representing approximately 47.16% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling Shareholder and therefore a connected person of the Company. As at the Latest Practicable Date, Heavy Industry (Dalian) is an indirect wholly-owned subsidiary of COSCO SHIPPING and therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules, subject to the reporting, announcement and Independent Shareholders' approval requirements thereunder.

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 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder. Save as aforementioned, none of the other Directors has a material interest in the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder. Therefore, no other Director has abstained from voting on such Board resolutions.

Waiver from Strict Compliance with Rule 14.66(10) and Rule 14A.70(13) of, and Paragraph 43(2)(c) of Appendix D1B to the Listing Rules

The Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 14.66(10), Rule 14A.70(13) of and paragraph 43(2)(c) of Appendix D1B to the Listing Rules (the "**Waiver**"), so that certain sensitive information may be redacted from the 2025 Second Heavy Industry Shipbuilding Contracts to be published on the websites of the Hong Kong Stock Exchange and the Company. The Hong Kong Stock Exchange has granted the Waiver to the Company, which allows the Company to redact certain sensitive commercial information relating to (a) the technical details (including the detailed description and technical specifications) of the twenty-three (23) vessels to be built under the 2025 Second Heavy Industry Shipbuilding Contracts (collectively, the "**Vessels**"); (b) the details of the terms of payment, the mechanism for downward adjustment of contract price, liquidated damages, and interest rate applicable to calculation of the accrued interest in the event of failure of parties to fulfill contractual obligations or rescission of the 2025 Second Heavy Industry Shipbuilding Contracts; (c) the operational provisions related to the fulfilment of the obligations of the parties under the 2025 Second Heavy Industry Shipbuilding Contracts (collectively, the "**Sensitive Commercial Information**"); and (d) certain sensitive contact and personal information.

The Sensitive Commercial Information is highly and commercially sensitive and confidential to the parties to the 2025 Second Heavy Industry 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, (iii) gravely undermine the competitiveness of the respective parties and (iv) undermine the interests of the Company and the Independent Shareholders (as the case may be) as a whole. The Sensitive Commercial Information is either highly technical or purely operational in the shipbuilding industry, and therefore is immaterial and not necessary for the Independent Shareholders' informed assessment of the transactions contemplated under the 2025 Second Heavy Industry Shipbuilding Contracts.

Moreover, the buyer under the 2025 Second Heavy Industry Shipbuilding Contracts is contractually obligated to preserve the confidentiality of the terms thereof in particular by not disclosing such terms to any third party without explicit prior approval of the relevant sellers. In this regard, the Group has been strongly requested by the counterparty to the 2025 Second Heavy Industry Shipbuilding Contracts and for confidential treatment of the Sensitive Commercial Information. Further, the material terms under the 2025 Second Heavy Industry 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 decision as to how to vote for transactions under the 2025 Second Heavy Industry Shipbuilding Contracts, respectively.

In addition, the sensitive contact and personal information which constitutes "personal data" as defined under the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), is immaterial and not necessary to the decision of the Independent Shareholders in respect of the transactions under the 2025 Second Heavy Industry Shipbuilding Contracts.

Accordingly, only the redacted versions of each of the 2025 Second Heavy Industry Shipbuilding Contracts will be published by the Company on the websites of the Hong Kong Stock Exchange and the Company as documents on display, for a period of 14 days from the date of this circular.

III. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Background

As the term of the Existing Continuing Connected Transaction Agreements will expire on 31 December 2025, in view of the Company's intention to continue to enter into transactions of similar nature from time to time after the relevant expiry date, on 30 October 2025, the Company entered into, among other Partially Exempt Continuing Connected Transactions and the Fully Exempt Continuing Connected Transaction, the following agreements of Non-exempted Continuing Connected Transactions with COSCO SHIPPING:

(i) Master Operating Lease Services Agreement, pursuant to which the Group agreed to provide to the COSCO SHIPPING Group, and the COSCO SHIPPING Group agreed to purchase from the Group, the operating lease services;

(ii) Master Vessel Services Agreement, pursuant to which the COSCO SHIPPING Group agreed to provide to the Group, and the Group agreed to purchase from the COSCO SHIPPING Group, the vessel and other ancillary services; and

(iii) Master Containers Services Agreement, pursuant to which the Group and the COSCO SHIPPING Group agreed to mutually provide/purchase container and other ancillary services.

On 30 October 2025, the Company and COSCO SHIPPING Finance entered into the Financial Services Agreement, pursuant to which COSCO SHIPPING Finance agreed to provide to the Group, and the Group agreed to purchase from COSCO SHIPPING Finance, the financial services.

Non-exempt Continuing Connected Transactions

Set out below is a summary of the agreements in relation to the Non-exempt Continuing Connected Transactions, the historical transaction amounts and existing annual caps, the Proposed Annual Caps and the basis for determining the Proposed Annual Caps:

1. Master Operating Lease Services Agreement (services to be provided by the Group)

The principal terms of the Master Operating Lease Services Agreement are set out below.

Parties:	(i) The Company; and (ii) COSCO SHIPPING.
Nature of transactions:	Pursuant to the Master Operating Lease Services Agreement, the Group agreed to provide to the COSCO SHIPPING Group, and the COSCO SHIPPING Group agreed to purchase from the Group, the operating lease services. Such services include (i) vessels operating lease services; and (ii) operating lease services for containers, car frames and other ancillary equipment and other production equipment.
Pricing policies:	Pursuant to the Master Operating Lease Services Agreement, the prices for the provision of operating lease services shall be determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market price (being the price at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). The above market price is generally based on the historical quotations from independent third parties in the past three years.

The Directors are of the view that the market price determined based on the historical quotations from independent third parties reflects the terms which are commonly based by market participants in their ordinary course of business in the relevant industry, reflects the fluctuation of supply and demand in the market to a certain extent, and is commercially reasonable and in line with the industry practice, and therefore the resulting market price is fair and reasonable and in the interests of the Company and the Shareholders. In addition, the pricing of the operating lease services provided by the Group will also take into account the impact of the overall market conditions, and on the basis of market price, a reasonable buffer of approximately 10% to cope with the increase in costs caused by uncertainties. At the time of entering each implementation agreements for the specific transactions contemplated under the Master Operating Lease Services Agreement, the Group will also examine the pricing terms charged by the Group to all other independent third-party customer(s), if applicable, so as to ensure the price to be charged by the Group to COSCO SHIPPING would be no less favourable than that charged by the Group to independent third-party customers.

Term and termination: The initial term of the Master Operating Lease Services Agreement shall be three years from 1 January 2026 to 31 December 2028. Upon expiry of the initial term, the Master Operating Lease Services Agreement shall be automatically extended for three years (subject to compliance with the requirements of the Hong Kong Listing Rules and the Shanghai Listing Rules and written consent of the parties) unless a written notice of termination is served by either party on the other three months prior to the expiry date.

Historical transaction amounts and existing annual caps

The table below sets out the historical transaction amounts and the existing annual caps for the provision of services by the Group to the COSCO SHIPPING Group under the Existing Master Operating Lease Services Agreement for the three years ending 31 December 2025:

Year ended 31 December 2023		**Year ended 31 December 2024**		**Year ending 31 December 2025**	
Annual cap	**Actual amount**	**Annual cap**	**Actual amount**	**Annual cap**	**Actual amount up to 30 June 2025**
(RMB'000)		*(RMB'000)*		*(RMB'000)*	
6,000,000	2,274,738.6	6,000,000	2,432,324.0	6,000,000	1,272,003.8

The Board confirms that, as at the Latest Practicable Date, the existing annual caps for the provision of services by the Group to the COSCO SHIPPING Group under the Existing Master Operating Lease Services Agreement for the year ending 31 December 2025 have not been exceeded.

Proposed Annual Caps and basis for determining the Proposed Annual Caps

The table below sets out the Proposed Annual Caps for the provision of lease services by the Group to the COSCO SHIPPING Group under the Master Operating Lease Services Agreement for the three years ending 31 December 2028:

Year ending 31 December 2026: RMB4,500,000,000

Year ending 31 December 2027: RMB6,000,000,000

Year ending 31 December 2028: RMB9,000,000,000

In arriving at the Proposed Annual Caps for the provision of lease services by the Group to the COSCO SHIPPING Group under the Master Operating Lease Services Agreement, the Directors have considered:

(i) the historical transaction amounts for the provision of lease services by the Group to the COSCO SHIPPING Group pursuant to the Existing Master Operating Lease Services Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025, which had not fully utilised the previous annual caps primarily due to fluctuations in the shipping market, which resulted in lower demand and prices for container leasing, as well as reduced demand for vessel leasing compared to the estimated values made when the above historical caps were determined;

(ii) the type and number of vessels, containers, car frames and other ancillary equipment and other production equipment expected to be chartered, the respective chartering rate and the period expected to be chartered;

(iii) the estimated market fluctuation in terms of chartering price, demands and exchange rate for US$ to RMB;

(iv) the estimated future needs for operating lease services of the COSCO SHIPPING Group in light of the expected growth in its transportation capacity. In particular, in respect of the estimated number of vessels to be leased, the Group has already entered into a number of long-term operating leasing agreements with COSCO SHIPPING Group in respect of certain vessels including, amongst others, (a) forty-two (42) bulk cargo vessels ranging from 64,000 to 82,500 DWT to be built under the shipbuilding contracts entered into by the Group on 30 August 2024, which are expected to be delivered not later than 31 December 2027 and each subsequently leased for 180 months ± 90 days, with an expected highest aggregated annual rent of approximately RMB1,900 million, (b) ten (10) bulk cargo vessels ranging from 210,000 to 211,000 DWT to be built under the shipbuilding contracts entered into by the Group on 29 July 2025, which are expected to be delivered not later than 31 December 2028 and each subsequently leased for 240 months ± 90 days, with an expected highest aggregated annual rent of approximately RMB638 million, and (c) twenty-three (23) 87,000 DWT bulk cargo vessels and six (6) 307,000 DWT very large crude oil carriers to be built under the shipbuilding contracts entered into by the Group on or around 30 October 2025, which are expected to be delivered not later than the end of 2028 and each subsequently leased for 240 months ± 180 days or ± 90 days, with an expected highest aggregated annual rent of approximately RMB550 million and RMB427 million, respectively, all of which will be made subject to and governed by the Master Operating Lease Services Agreement and the Proposed Annual Caps thereunder. These additional vessels could account for approximately 42.4% of the existing fleet (including orderbook) of the Group as at the Latest Practicable Date. For further details of such operating leases, please refer to the announcements of the Company dated 30 August 2024, 29 July 2025 and 30 October 2025, respectively.

In respect of the estimated number of containers to be leased, in light of the expected growth in the transportation capacity of the COSCO SHIPPING Group, including but not limited to the increase in the forecasted demand by a COSCO SHIPPING Group company, which mainly engages in container shipping for both international and domestic customers, for delivery of 36 vessels that represents 656,000 TEUs during the period from 2026 to 2028, there is an anticipated additional demand by COSCO SHIPPING Group for lease of containers for the three years ending 31 December 2028;

(v) the expected increase in service fees due to increase in costs; and

(vi) the prevailing market rate of charter of vessel, containers, car frames and other ancillary equipment and other production equipment of similar classes. The Group collects market information and communicates with other enterprises in the same industry to understand the current rates and market conditions. In addition, the Group will also verify and judge on the information obtained from the above channels based on its own analysis of the historical rates and market fluctuations of the relevant services in combination with experience and internal estimation. The Directors consider that the prevailing market rates with reference to the above methods in determining the Proposed Annual Caps under the Master Operating Lease Services Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, despite the relatively low utilisation rate of the original annual caps set for the Existing Master Operating Lease Services Agreement, the Proposed Annual Caps for the Master Operating Lease Services Agreement adopt a relatively lower starting point with incremental year-by-year adjustments based on the foregoing factors, and the Directors consider them fair and reasonable and in the interest of the Company and the Shareholders as a whole.

2. Master Vessel Services Agreement (services to be provided to the Group)

The principal terms of the Master Vessel Services Agreement are set out below.

Parties:

(i) The Company; and

(ii) COSCO SHIPPING.

Nature of transactions:

Pursuant to the Master Vessel Services Agreement, the COSCO SHIPPING Group agreed to provide to the Group, and the Group agreed to purchase from the COSCO SHIPPING Group, the vessel and other ancillary services, including vessel construction supervision services, material merchandising services (such as paint, vessel fuel, lubricants, spare parts and steel), supply of crew members, vessel repair and maintenance services, shipping agent services and other ancillary services.

Pricing policies:

Prices for the provision of vessel and other ancillary services by the COSCO SHIPPING Group to the Group under the Master Vessel Services Agreement are determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market price (being the price at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). The above market price is generally based on the historical quotations from independent third parties in the past three years. In accordance with the relevant internal rules and administrative measures of the Company, it will also obtain such market price through price inquiry or competitive negotiation provided or participated by at least two independent third-party suppliers, or a bidding and tendering process before the commencement of certain projects in the event that the type or amount of services to be procured meets the bidding standards specified in the Tendering and Procurement Management Rules of the Group, which shall also be conducted in accordance with the Regulations for the Implementation of the National Tendering and Bidding Law (《國家招標投標法實施條例》) of the PRC. When selecting the successful bidder(s) in the latter case, the Company and/or the relevant member(s) of the Group will conduct a qualification review of potential bidders based on factors such as company profile, business reputation and experience, supply and service assurance capability, quality assurance capability, after-sales service initiatives and compliance performance, the evaluation of which will follow the criteria and methodology specified in the tender documents, being carried out objectively and impartially using the lowest price evaluated, comprehensive scoring method or other bid evaluation methods permitted by applicable laws and regulations.

Term and termination:

The initial term of the Master Vessel Services Agreement shall be three years from 1 January 2026 to 31 December 2028. Upon expiry of the initial term, the Master Vessel Services Agreement shall be automatically extended for three years (subject to compliance with the requirements of the Hong Kong Listing Rules and the Shanghai Listing Rules and written consent of the parties) unless a written notice of termination is served by either party on the other three months prior to the expiry date.

Historical transaction amounts and existing annual caps

The table below sets out the historical transaction amounts and the existing annual caps for the provision of vessel and other ancillary services by the COSCO SHIPPING Group to the Group under the Existing Master Vessel Services Agreement for the three years ending 31 December 2025:

Year ended 31 December 2023		Year ended 31 December 2024		Year ending 31 December 2025	
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount up to 30 June 2025
(RMB'000)		*(RMB'000)*		*(RMB'000)*	
850,000	359,541.6	850,000	331,244.3	850,000	163,838.8

The Board confirms that, as at the Latest Practicable Date, the existing annual caps for the provision of vessel and other ancillary services by the COSCO SHIPPING Group to the Group under the Existing Master Vessel Services Agreement for the year ending 31 December 2025 have not been exceeded.

Proposed Annual Caps and basis for determining the Proposed Annual Caps

The table below sets out the Proposed Annual Caps for the provision of vessel and other ancillary services by the COSCO SHIPPING Group to the Group under the Master Vessel Services Agreement for the three years ending 31 December 2028:

Year ending 31 December 2026: RMB600,000,000

Year ending 31 December 2027: RMB1,000,000,000

Year ending 31 December 2028: RMB2,000,000,000

In arriving at the Proposed Annual Caps for the provision of vessel and other ancillary services by the COSCO SHIPPING Group to the Group under the Master Vessel Services Agreement, the Directors have considered:

(i) the historical transaction amounts for the provision of vessel and other ancillary services by the COSCO SHIPPING Group to the Group under the Existing Master Vessel Services Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025, which had not fully utilised the previous annual caps primarily due to fluctuations in the shipping market, which resulted in aforementioned reduced vessel leasing requirements and related cost expenditures for the vessel and other ancillary services compared to the estimated values made when the above historical caps were determined;

(ii) according to the existing respective inspection and maintenance cycles of the vessels, the demand by the Group in materials, crew members, vessel repair and maintenance services, shipping agent services and other ancillary services is expected to continue to increase, led by an anticipated surge in demand due to the Group's purchase of vessels and the associated leasing services, including those detailed in the section headed "1. Master Operating Lease Services Agreement (services to be provided by the Group) – Proposed Annual Caps and basis for determining the Proposed Annual Caps" in this circular;

(iii) the estimated fluctuation in the exchange rate for US$ to RMB;

(iv) the vessel management and construction supervision expenses arising from the Group's new expansion of vessel charter business; and

(v) the prevailing market rate for the vessel construction supervision services, merchandising services, supply of crew members, vessel repair and maintenance services and shipping agent services. The above market rates are generally based on the historical quotations by independent third parties in the past three years, and the Company will also obtain such market rates through price inquiry or competitive negotiation provided or participated by certain independent third party suppliers, or a tender and bidding process before the commencement of certain projects in accordance with the relevant internal rules and administrative measures of the Company. The Directors consider that the prevailing market rates with reference to the above methods in determining the Proposed Annual Caps for the provision of vessel and other ancillary services by the COSCO SHIPPING Group to the Group under the Master Vessel Services Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, despite the relatively low utilisation rate of the original annual caps set for the Existing Master Vessel Services Agreement, the Proposed Annual Caps for the Master Vessel Services Agreement adopt a relatively lower starting point with incremental year-by-year adjustments based on the foregoing factors, and the Directors consider them fair and reasonable and in the interest of the Company and the Shareholders as a whole.

3a. Master Containers Services Agreement (products and services to be provided by the Group)

The principal terms of the Master Containers Services Agreement (products and services to be provided by the Group) are set out below.

Parties:

(i) The Company; and

(ii) COSCO SHIPPING.

Nature of transactions:

Pursuant to the Master Containers Services Agreement, the Group agreed to provide to the COSCO SHIPPING Group, and the COSCO SHIPPING Group agreed to purchase from the Group, the container and other ancillary services. Such services include sale and purchase of containers and containers commissioned manufacturing services.

Pricing policies:

The prices for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Master Containers Services Agreement are determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market price (being the price at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). As there is no long-term agreed price in the new container trading market, the market price for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Master Containers Services Agreement shall be subject to continuous real-time adjustment mainly based on the current market condition revealed by research reports from Drewry, an independent maritime research consultancy, and take into account factors such as market order transaction prices, raw material costs and inventory levels, and with reference to the historical quotations from independent third parties.

The Directors are of the view that the market price determined based on the current market conditions and with reference to the historical quotations by independent third parties reflects the terms which are commonly based by market participants in their ordinary course of business in the relevant industry, reflects the fluctuation of supply and demand in the market to a certain extent, and is commercially reasonable and in line with the industry practice, and therefore the resulting market price is fair and reasonable and in the interests of the Company and the Shareholders. In addition, the pricing of the containers services provided by the Group will also take into account the impact of the overall market conditions, and on the basis of market price, a reasonable buffer of approximately 10% to cope with the increase in costs caused by uncertainties. At the time of entering each implementation agreements for the specific transactions contemplated under the Master Containers Services Agreement for products and services to be provided by the Group, the Group will also examine the pricing terms charged by the Group to all other independent third-party customer(s), if applicable, so as to ensure the price to be charged by the Group to COSCO SHIPPING would be no less favourable than that charged by the Group to independent third-party customers.

Term and termination: The initial term of the Master Containers Services Agreement shall be three years from 1 January 2026 to 31 December 2028. Upon expiry of the initial term, the Master Containers Services Agreement shall be automatically extended for three years (subject to compliance with the requirements of the Hong Kong Listing Rules and the Shanghai Listing Rules and written consent of the parties) unless a written notice of termination is served by either party on the other three months prior to the expiry date.

Historical transaction amounts and existing annual caps

The table below sets out the historical transaction amounts and the existing annual caps for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Existing Master Containers Services Procurement Agreement for the three years ending 31 December 2025:

Year ended 31 December 2023		**Year ended 31 December 2024**		**Year ending 31 December 2025**	
Annual cap	**Actual amount**	**Annual cap**	**Actual amount**	**Annual cap**	**Actual amount up to 30 June 2025**
(RMB'000)		*(RMB'000)*		*(RMB'000)*	
6,000,000	144,842.5	7,000,000	3,247,150.2	9,000,000	1,204,921.1

The Board confirms that, as at the Latest Practicable Date, the existing annual caps for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Existing Master Containers Services Procurement Agreement for the year ending 31 December 2025 have not been exceeded.

Proposed Annual Caps and basis for determining the Proposed Annual Caps

The table below sets out the Proposed Annual Caps for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Master Containers Services Agreement for the three years ending 31 December 2028:

Year ending 31 December 2026: RMB12,800,000,000

Year ending 31 December 2027: RMB13,000,000,000

Year ending 31 December 2028: RMB13,500,000,000

In arriving at the Proposed Annual Caps for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Master Containers Services Agreement, the Directors have considered:

(i) the historical transaction amounts for the provision of containers and other ancillary services by the Group to the COSCO SHIPPING Group under the Existing Master Containers Services Procurement Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025, which had not fully utilised the previous annual caps primarily due to fluctuations in the shipping market, which led to a decrease in container demand and new container prices compared to the estimated values made when the above historical caps were determined;

(ii) the existing scale of operation of the COSCO SHIPPING Group;

(iii) the expected increase in the demand of the COSCO SHIPPING Group for the containers manufactured by the Group and other ancillary services in light of the expected growth in the transportation capacity of the COSCO SHIPPING Group, including but not limited to the increase in the forecasted demand by a COSCO SHIPPING Group company, which mainly engages in container shipping for both international and domestic customers, for delivery of 36 vessels that represents 656,000 TEUs during the period from 2026 to 2028, as mentioned in the section headed "1. Master Operating Lease Services Agreement (services to be provided by the Group) — Proposed Annual Caps and basis for determining the Proposed Annual Caps" in this circular;

(iv) the estimated market fluctuation in terms of container price, demands and exchange rate for US$ to RMB; and

(v) the prevailing market rate for the sale and purchase and commissioned manufacturing of containers and the estimated market price of new containers for the three years ending 31 December 2028. The Group understands the prevailing market rates for relevant services through regular communication with major customers to understand their market views and future procurement intentions in the coming years. The Group also collects market information and communicates with other enterprises in the same industry to understand the prevailing rates, market prices and market conditions. In addition, the Group will also verify and judge on the information obtained from the above channels based on its own analysis of the historical rates and market fluctuations of the relevant services in combination with experience and internal estimation. The Directors consider that the prevailing market rates and market prices with reference to the above methods in determining the Proposed Annual Caps for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Master Containers Services Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, despite the relatively low utilisation rate of the original annual caps set for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Existing Master Containers Services Procurement Agreement, there is an increase in the Proposed Annual Caps for the Master Containers Services Agreement based on the foregoing factors, and the Directors consider them fair and reasonable and in the interest of the Company and the Shareholders as a whole.

3b. Master Containers Services Agreement (products and services to be provided to the Group)

The principal terms of the Master Containers Services Agreement (products and services to be provided to the Group) are set out below.

Parties:

(i) The Company; and

(ii) COSCO SHIPPING.

Nature of transactions:

Pursuant to the Master Containers Services Agreement, the COSCO SHIPPING Group agreed to provide to the Group, and the Group agreed to purchase from the COSCO SHIPPING Group, the container and other ancillary services. Such services include provision of materials ancillary to containers, provision of containers depot, containers logistics, containers management, containers maintenance and other ancillary services.

Pricing policies:

Prices for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group under the Master Containers Services Agreement are determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market price (being the price at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). The above market price is generally based on the historical quotations from independent third parties in the past three years. In accordance with the relevant internal rules and administrative measures of the Company, it will also obtain such market price through price inquiry or competitive negotiation provided or participated by at least two independent third-party suppliers, or a bidding and tendering process before the commencement of certain projects in the event that the type or amount of products and services to be procured meets the bidding standards specified in the Tendering and Procurement Management Rules of the Group, which shall also be conducted in accordance with the Regulations for the Implementation of the National Tendering and Bidding Law (《國家招標投標法實施條例》) of the PRC. When selecting the successful bidder(s) in the latter case, the Company and/or the relevant member(s) of the Group will conduct a qualification review of potential bidders based on factors such as company profile, business reputation and experience, supply and service assurance capability, quality assurance capability, after-sales service initiatives and compliance performance, the evaluation of which will follow the criteria and methodology specified in the tender documents, being carried out objectively and impartially using the lowest price evaluated, comprehensive scoring method or other bid evaluation methods permitted by applicable laws and regulations.

Term and termination: The initial term of the Master Containers Services Agreement shall be three years from 1 January 2026 to 31 December 2028. Upon expiry of the initial term, the Master Containers Services Agreement shall be automatically extended for three years (subject to compliance with the requirements of the Hong Kong Listing Rules and the Shanghai Listing Rules and written consent of the parties) unless a written notice of termination is served by either party on the other three months prior to the expiry date.

Historical transaction amounts and existing annual caps

The table below sets out the historical transaction amounts and the existing annual caps for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group under the Existing Master Containers Services Procurement Agreement for the three years ending 31 December 2025:

Year ended 31 December 2023		**Year ended 31 December 2024**		**Year ending 31 December 2025**	
Annual cap	**Actual amount**	**Annual cap**	**Actual amount**	**Annual cap**	**Actual amount up to 30 June 2025**
(RMB'000)		*(RMB'000)*		*(RMB'000)*	
1,250,000	374,904.8	1,350,000	1,295,963.9	1,450,000	539,894.2

The Board confirms that, as at the Latest Practicable Date, the existing annual caps for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group under the Existing Master Containers Services Procurement Agreement for the year ending 31 December 2025 have not been exceeded.

Proposed Annual Caps and basis for determining the Proposed Annual Caps

The table below sets out the Proposed Annual Caps for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group under the Master Containers Services Agreement for the three years ending 31 December 2028:

Year ending 31 December 2026: RMB2,100,000,000

Year ending 31 December 2027: RMB2,200,000,000

Year ending 31 December 2028: RMB2,300,000,000

In arriving at the Proposed Annual Caps for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group under the Master Containers Services Agreement, the Directors have considered:

(i) the historical transaction amounts for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group under the Existing Master Containers Services Procurement Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025, which had not fully utilised the annual cap for the year ended 31 December 2023 primarily due to fluctuations in the shipping market;

(ii) the estimated market fluctuation in terms of container price, ancillary materials price, demands and exchange rate for US$ to RMB, as well as the anticipated increase in demand for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group driven by the expansion of scale of the Group's container manufacturing business, supported by the trend of 204.08% year-on-year growth in the Group's container sales and its container fleet successfully exceeding 4 million TEU in 2024, and also a year-on-year increase of 13.61% in its aggregate container sales in the first half of 2025 as compared with same period last year, as noted from the annual report of the Company for the year ended 31 December 2024 and the interim report for the six months ended 30 June 2025; and

(iii) the prevailing market rates of containers, materials ancillary to containers, containers depot, containers logistics, containers management and containers maintenance. The market prices are generally based on the historical quotations by independent third parties in the past three years, and the Company will also obtain such market prices through price inquiry or competitive negotiation provided or participated by certain independent third party suppliers, or a tender and bidding process before the commencement of certain projects in accordance with the relevant internal rules and administrative measures of the Company. The Directors consider that the prevailing market rates and market prices with reference to the above methods in determining the Proposed Annual Caps for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group under the Master Containers Services Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, while the utilisation rate of the original annual caps set for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group under the Existing Master Containers Services Procurement Agreement was considered at appropriate level, there is an increase in the Proposed Annual Caps for the Master Containers Services Agreement based on the foregoing factors, and the Directors consider them fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Partially Exempt Continuing Connected Transactions

Set out below is a summary of the agreements in relation to the Partially Exempt Continuing Connected Transactions, the historical transaction amounts and existing annual caps, the Proposed Annual Caps and the basis for determining the Proposed Annual Caps:

4. Master Finance Lease Services Agreement (services to be provided by the Group)

The principal terms of the Master Finance Lease Services Agreement are set out below.

Parties:

(i) The Company; and

(ii) COSCO SHIPPING.

Nature of transactions: Pursuant to the Master Finance Lease Services Agreement, the Group agreed to provide to the COSCO SHIPPING Group, and the COSCO SHIPPING Group agreed to purchase from the Group, the finance lease services. Such services include finance lease of vessels and facilities, and other ancillary services to be provided by the Group to the COSCO SHIPPING Group.

Pricing policies: Prices for the provision of finance lease services by the Group to the COSCO SHIPPING Group under the Master Finance Lease Services Agreement are determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market price (being the price at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). The above market price is generally based on the open market prices of finance leases of the same type of vessels and facilities with similar transaction structures. At the time of entering each implementation agreements for the specific transactions contemplated under the Master Finance Lease Services Agreement, the Group will also examine the pricing terms charged by the Group to all other independent third-party customer(s), if applicable, so as to ensure the price to be charged by the Group to COSCO SHIPPING would be no less favourable than that charged by the Group to independent third-party customers.

Term and termination: The initial term of the Master Finance Lease Services Agreement shall be three years from 1 January 2026 to 31 December 2028. Upon expiry of the initial term, the Master Finance Lease Services Agreement shall be automatically extended for three years (subject to compliance with the requirements of the Hong Kong Listing Rules and the Shanghai Listing Rules and written consent of the parties) unless a written notice of termination is served by either party on the other three months prior to the expiry date.

Historical transaction amounts and existing annual caps

The table below sets out the historical transaction amounts and the existing annual caps for the provision of finance lease services by the Group to the COSCO SHIPPING Group under the Existing Master Finance Lease Services Agreement for the three years ending 31 December 2025:

Year ended 31 December 2023		**Year ended 31 December 2024**		**Year ending 31 December 2025**	
Annual cap	**Actual amount**	**Annual cap**	**Actual amount**	**Annual cap**	**Actual amount up to 30 June 2025**
(RMB'000)		*(RMB'000)*		*(RMB'000)*	
450,000	2,531.5	500,000	16,800	550,000	–

The Board confirms that, as at the Latest Practicable Date, the existing annual caps for the provision of finance lease services by the Group to the COSCO SHIPPING Group under the Existing Master Finance Lease Services Agreement for the year ending 31 December 2025 have not been exceeded.

Proposed Annual Caps and basis for determining the Proposed Annual Caps

The table below sets out the Proposed Annual Caps for the provision of finance lease services by the Group to the COSCO SHIPPING Group under the Master Finance Lease Services Agreement for the three years ending 31 December 2028:

Year ending 31 December 2026: RMB550,000,000

Year ending 31 December 2027: RMB600,000,000

Year ending 31 December 2028: RMB650,000,000

In arriving at the Proposed Annual Caps for the provision of finance lease services by the Group to the COSCO SHIPPING Group under the Master Finance Lease Services Agreement, the Directors have considered:

(i) the historical transaction amounts for the provision of finance lease services by the Group to the COSCO SHIPPING Group under the Existing Master Finance Lease Services Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025, which had not fully utilised the previous annual caps mainly due to significantly reduced demand for traditional finance leasing as shipping companies within COSCO SHIPPING Group generally have strong cash flows and primarily opt for bank financing, which offers relatively low leverage ratios and lower cost to meet their funding needs;

(ii) the plan of the Group in finance lease business development and the estimated scope of business therein;

(iii) the expected increase in the demand for finance lease services by the COSCO SHIPPING Group mainly due to the anticipated growth in the transportation capacity of the COSCO SHIPPING Group, as detailed in the section headed "1. Master Operating Lease Services Agreement (services to be provided by the Group) — Proposed Annual Caps and basis for determining the Proposed Annual Caps" in this circular;

(iv) the increased capacity of providing finance lease services of the Group; and

(v) general inflation which affects the lease payments of finance lease.

Accordingly, despite the relatively low utilisation rate of the original annual caps set for the Existing Master Finance Lease Services Agreement, the Proposed Annual Caps for the Master Finance Lease Services Agreement start at the same level as the previous ending annual cap for the year ending 31 December 2025, with incremental year-by-year adjustments based on the foregoing factors, and the Directors consider them fair and reasonable and in the interest of the Company and the Shareholders as a whole.

5. Master General Services Agreement (services to be received by the Group)

The principal terms of the Master General Services Agreement are set out below.

Parties:

(i) The Company; and

(ii) COSCO SHIPPING.

Nature of transactions:

Pursuant to the Master General Services Agreement, the COSCO SHIPPING Group agreed to provide to the Group, and the Group agreed to purchase from the COSCO SHIPPING Group, the general services, including technology services (such as purchase of information technology equipment, products and services), computer maintenance services, ticket and hotel reservation services, network services, insurance services and other related services.

Pricing policies:

Prices for the provision of general services by the COSCO SHIPPING Group to the Group under the Master General Services Agreement are determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market price (being the price at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). The above market price is generally based on the historical quotations from independent third parties in the past three years or the price level publicly available on third-party trading platforms, if applicable. In accordance with the relevant internal rules and administrative measures of the Company, it will also obtain such market price through price inquiry or competitive negotiation provided or participated by at least two independent third-party suppliers, or a bidding and tendering process before the commencement of certain projects in the event that the type or amount of services to be procured meets the bidding standards specified in the Tendering and Procurement Management Rules of the Group, which shall also be conducted in accordance with the Regulations for the Implementation of the National Tendering and Bidding Law (《國家招標投標法實施條例》) of the PRC. When selecting the successful bidder(s) in the latter case, the Company and/or the relevant member(s) of the Group will conduct a qualification review of potential bidders based on factors such as company profile, business reputation and experience, supply and service assurance capability, quality assurance capability, after-sales service initiatives and compliance performance, the evaluation of which will follow the criteria and methodology specified in the tender documents, being carried out objectively and impartially using the lowest price evaluated, comprehensive scoring method or other bid evaluation methods permitted by applicable laws and regulations.

Term and termination: The initial term of the Master General Services Agreement shall be three years from 1 January 2026 to 31 December 2028. Upon expiry of the initial term, the Master General Services Agreement shall be automatically extended for three years (subject to compliance with the requirements of the Hong Kong Listing Rules and the Shanghai Listing Rules and written consent of the parties) unless a written notice of termination is served by either party on the other three months prior to the expiry date.

Historical transaction amounts and existing annual caps

The table below sets out the historical transaction amounts and the existing annual caps for the provision of general services by the COSCO SHIPPING Group to the Group under the Existing Master General Services Agreement for the three years ending 31 December 2025:

Year ended 31 December 2023		**Year ended 31 December 2024**		**Year ending 31 December 2025**	
Annual cap	**Actual amount**	**Annual cap**	**Actual amount**	**Annual cap**	**Actual amount up to 30 June 2025**
(RMB'000)		*(RMB'000)*		*(RMB'000)*	
300,000	120,867.3	300,000	176,079.4	300,000	60,876.0

The Board confirms that, as at the Latest Practicable Date, the existing annual caps for the provision of general services by the COSCO SHIPPING Group to the Group under the Existing Master General Services Agreement for the year ending 31 December 2025 have not been exceeded.

Proposed Annual Caps and basis for determining the Proposed Annual Caps

The table below sets out the Proposed Annual Caps for the provision of general services by the COSCO SHIPPING Group to the Group under the Master General Services Agreement for the three years ending 31 December 2028:

Year ending 31 December 2026: RMB500,000,000

Year ending 31 December 2027: RMB550,000,000

Year ending 31 December 2028: RMB600,000,000

In arriving at the Proposed Annual Caps for the provision of general services by the COSCO SHIPPING Group to the Group under the Master General Services Agreement, the Directors have considered:

(i) the historical transaction amounts for the provision of general services by the COSCO SHIPPING Group to the Group under the Existing Master General Services Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025, which had not fully utilised the previous annual caps mainly because the actual demand for such services in the Group's relevant businesses have declined compared to the estimated values made when the above historical caps were determined;

(ii) the expected increase in demand of the Group for the technology related services provided by the COSCO SHIPPING Group (which represent the majority of the transactions under the Master General Services Agreement) in light of the expansion of the Group's business scale as detailed in the sections headed "1. Master Operating Lease Services Agreement (services to be provided by the Group) – Proposed Annual Caps and basis for determining the Proposed Annual Caps" and "3b. Master Containers Services Agreement (products and services to be provided to the Group) – Proposed Annual Caps and basis for determining the Proposed Annual Caps" in this circular, which may lead to a corresponding increase in the expected demand for the technology and other general services forecasted by the relevant subsidiaries of the Group; and

(iii) the estimated future demand for other general services to support the business operations of the Group as mentioned in the subparagraph (ii) above.

Accordingly, despite the relatively low utilisation rate of the original annual caps set for the Existing Master General Services Agreement, there is an increase in the Proposed Annual Caps for the Master General Services Agreement based on the foregoing factors, and the Directors consider them fair and reasonable and in the interest of the Company and the Shareholders as a whole.

6. Master Tenancy Agreement (lease of properties to the Group)

The principal terms of the Master Tenancy Agreement are set out below.

Parties:

(i) The Company; and

(ii) COSCO SHIPPING.

Nature of transactions:

Pursuant to the Master Tenancy Agreement, the COSCO SHIPPING Group agreed to provide to the Group, and the Group agreed to purchase from the COSCO SHIPPING Group, the property leasing services and other ancillary services.

Pricing policies:

Prices for the lease of properties by the COSCO SHIPPING Group to the Group under the Master Tenancy Agreement are determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market prices (being the prices at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). The above market price is generally based on the historical quotations from independent third parties in the past three years or the price level publicly available on third-party trading platforms, if applicable. In accordance with the relevant internal rules and administrative measures of the Company, it will also obtain such market price through price inquiry or competitive negotiation provided or participated by at least two independent third-party suppliers, or a bidding and tendering process before the commencement of certain projects in the event that the type or amount of services to be procured meets the bidding standards specified in the Tendering and Procurement Management Rules of the Group, which shall also be conducted in accordance with the Regulations for the Implementation of the National Tendering and Bidding Law (《國家招標投標法實施條例》) of the PRC. When selecting the successful bidder(s) in the latter case, the Company and/or the relevant member(s) of the Group will conduct a qualification review of potential bidders based on factors such as company profile, business reputation and experience, supply and service assurance capability, quality assurance capability, after-sales service initiatives and compliance performance, the evaluation of which will follow the criteria and methodology specified in the tender documents, being carried out objectively and impartially using the lowest price evaluated, comprehensive scoring method or other bid evaluation methods permitted by applicable laws and regulations.

Term and termination:

The initial term of the Master Tenancy Agreement shall be three years from 1 January 2026 to 31 December 2028. Upon expiry of the initial term, the Master Tenancy Agreement shall be automatically extended for three years (subject to compliance with the requirements of the Hong Kong Listing Rules and the Shanghai Listing Rules and written consent of the parties) unless a written notice of termination is served by either party on the other three months prior to the expiry date.

Historical transaction amounts and existing annual caps

The table below sets out the historical transaction amounts and the existing annual caps for the lease of properties by the COSCO SHIPPING Group to the Group under the Existing Master Tenancy Agreement for the three years ending 31 December 2025:

Year ended 31 December 2023		Year ended 31 December 2024		Year ending 31 December 2025	
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount up to 30 June 2025
(RMB'000)		*(RMB'000)*		*(RMB'000)*	
350,000	236,688.0	350,000	226,425.2	350,000	191,061.1

The Board confirms that, as at the Latest Practicable Date, the existing annual caps for the lease of properties by the COSCO SHIPPING Group to the Group under the Existing Master Tenancy Agreement for the year ending 31 December 2025 have not been exceeded.

Proposed Annual Caps and basis for determining the Proposed Annual Caps

The HKFRS applicable to the Group include HKFRS 16 "Leases" which came into effect on 1 January 2019. Under HKFRS 16, the Group, as lessee, shall recognise a lease as a right-of-use asset and a lease liability in the consolidated statement of financial position of the Group.

The table below sets out the Proposed Annual Caps for the total value of right-of-use assets relating to the leases of properties by the COSCO SHIPPING Group to the Group to be entered into under the Master Tenancy Agreement for the three years ending 31 December 2028:

Year ending 31 December 2026: RMB250,000,000

Year ending 31 December 2027: RMB450,000,000

Year ending 31 December 2028: RMB450,000,000

In arriving at the Proposed Annual Caps for the total value of right-of-use assets relating to the leases of properties by the COSCO SHIPPING Group to the Group to be entered into under the Master Tenancy Agreement, the Directors have considered:

(i) the historical transaction amounts for the lease of properties by the COSCO SHIPPING Group to the Group under the Existing Master Tenancy Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025;

(ii) the value of right-of-use assets relating to (a) existing leases of properties by the COSCO SHIPPING Group to the Group; and (b) leases of properties by the COSCO SHIPPING Group to the Group expected to be entered into;

(iii) the estimated increase in demand of the Group for rental premises for its daily operation and management activities; and

(iv) the expected increase in rental costs due to general inflation.

Accordingly, while the utilisation rate of the original annual caps set for the Existing Master Tenancy Agreement was considered at appropriate level, the Proposed Annual Caps for the Master Tenancy Agreement were set based on the actual and anticipated leasing arrangements for the three years ending 31 December 2028 with, for instance, a lower starting point due to an anticipated decrease in the value of right-of-use assets when certain existing leases approach expiry in 2026, and the Directors consider them fair and reasonable and in the interest of the Company and the Shareholders as a whole.

7. Management Services Agreement (provision of management services by the Group)

The principal terms of the Management Services Agreement are set out below.

Parties:

(i) China Shipping;

(ii) the Company; and

(iii) COSCO SHIPPING Investment.

Nature of transactions:

Pursuant to the Management Services Agreement, the scope of the management services to be provided by the Company includes, among other things: (i) providing strategic management, business operation management services, financial management services, human resources management services, investment management services and major assets and internal control management services to COSCO SHIPPING Investment; (ii) advising on the exercise of the voting rights of the Target Equities (other than the Shares of the Company) directly or indirectly held by COSCO SHIPPING Investment; (iii) advising on the dealings of the Target Equities and additional investment by COSCO SHIPPING Investment in accordance with the laws, regulations, relevant provisions of the securities regulatory authorities of the place of listing of the relevant securities and the articles of association of COSCO SHIPPING Investment; (iv) advising on the appointment of directors, supervisors and senior management of the companies which form part of the Target Equities; and (v) other matters as separately authorised or entrusted by China Shipping.

Pricing policies:

Pursuant to the Management Services Agreement, the Company shall be entitled to receive the management services fee comprising:

(i) Basic management service fee: RMB20,000,000 per annum;

(ii) Floating income fee: During the management service period, if the return on equity of the Target Equities exceeds the predetermined ratio, an additional floating income will be charged at a proportion of the excess income; and

(iii) If the return on equity of the Target Equities does not reach the predetermined ratio, the basic management service fee will be deducted at a proportion of the shortfall, whereas the maximum cap of the deduction amount is the basic management service fee for the whole year.

In addition, COSCO SHIPPING Investment shall be responsible for any reasonable third party costs incurred by the Company as a result of the provision of the management services during the term of the Management Services Agreement.

The management services fee payable under the Management Services Agreement was agreed between the parties after arm's length negotiations with reference to: (i) the prevailing market price and charging methodology adopted by independent fund managers for the management service of the assets; (ii) the estimated costs of the Company to provide the management services; (iii) the expected growth in the size and profitability of the existing net assets of COSCO SHIPPING Investment; and (iv) the establishment of a management service fee excess income sharing and loss deduction mechanism, which can play a role in assessment and as incentives.

Term and termination:

The initial term of the Management Services Agreement shall be three years from 1 January 2026 to 31 December 2028. Upon expiry of the initial term, the Management Services Agreement shall be automatically extended for three years (subject to compliance with the requirements of the Hong Kong Listing Rules and the Shanghai Listing Rules and written consent of the parties) unless a written notice of termination is served by either party on the other three months prior to the expiry date.

Historical transaction amounts and existing annual caps

The table below sets out the historical transaction amounts and the existing annual caps for the provision of management services by the Company in respect of COSCO SHIPPING Investment and the Target Equities under the Existing Management Services Agreement for the two years ending 31 December 2024:

Year ended 31 December 2023		Year ending 31 December 2024	
Annual cap	**Actual amount**	**Annual cap**	**Actual amount**
(RMB'000)		*(RMB'000)*	
80,000	1,981.3	80,000	18,022.2

For the year ending 31 December 2025, the Board confirms that, as at the Latest Practicable Date, the actual transaction amounts for the provision of management services by the Company in respect of COSCO SHIPPING Investment and the Target Equities since 1 January 2025 fall within the de minimis threshold under Chapter 14A of the Hong Kong Listing Rules and is expected not to exceed the same by the end of 2025. The Company shall re-comply with the applicable requirements under Chapter 14A of the Hong Kong Listing Rules as and when required if such threshold.

Proposed Annual Caps and basis for determining the Proposed Annual Caps

The table below sets out the Proposed Annual Caps for the provision of management services by the Company in respect of COSCO SHIPPING Investment and the Target Equities under the Management Services Agreement for the three years ending 31 December 2028:

Year ending 31 December 2026: RMB80,000,000

Year ending 31 December 2027: RMB80,000,000

Year ending 31 December 2028: RMB80,000,000

In arriving at the Proposed Annual Caps for the provision of management services by the Company in respect of COSCO SHIPPING Investment and the Target Equities under the Management Services Agreement, the Directors have considered:

(i) the historical transaction amounts for the provision of management services by the Company in respect of COSCO SHIPPING Investment and the Target Equities under the Existing Management Services Agreement, which had not fully utilised the previous annual caps mainly due to the impact of market fluctuations, as a result of which the performance of the Target Equities under management did not reach the expected level;

(ii) under the Management Services Agreement, the annual management service fees consisting of a basic fee of RMB20,000,000 plus a performance-based floating fee, with an agreed cap for the management services fee of RMB80,000,000, taking into account the prevailing business performance and market volatility concerning the Target Equities;

(iii) the expected growth in the return on the net asset value of COSCO SHIPPING Investment;

(iv) the prevailing market price and charging methodology adopted by independent fund managers for management services of the assets are basically in line with the fees charged under the Management Services Agreement; and

(v) the estimated costs of the Company to provide the management services.

Accordingly, despite the relatively low utilisation rate of the original annual caps set for the Existing Master General Services Agreement, the Proposed Annual Caps for the Management Services Agreements are set at the same level as the previous annual caps based on the foregoing factors and, in particular, to account for potential market fluctuations and volatility, and the Directors consider them fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Fully Exempt Continuing Connected Transactions

Set out below is a summary of the Fully Exempt Continuing Connected Transaction:

Trademark License Agreement

The principal terms of the Trademark License Agreement are set out below.

Parties:	(i) The Company; and (ii) COSCO SHIPPING.
Nature of transactions:	Pursuant to the Trademark License Agreement, the COSCO SHIPPING Group agreed to grant a non-exclusive license to the Group with the right to use certain trademarks owned by the COSCO SHIPPING Group at the rate of RMB1.00 per annum.
Term and termination:	The initial term of the Trademark License Agreement shall be three years from 1 January 2026 to 31 December 2028. Upon expiry of the initial term, the Trademark License Agreement shall be automatically extended for three years (subject to compliance with the requirements of the Hong Kong Listing Rules and the Shanghai Listing Rules and written consent of the parties) unless a written notice of termination is served by either party on the other three months prior to the expiry date.

Implementation Agreements

Pursuant to the terms of the agreements in relation to Non-exempt Continuing Connected Transactions and the Partially Exempt Continuing Connected Transactions, the Group may, from time to time and as necessary, enter into separate implementation agreements for each of the specific transactions contemplated under the agreements in relation to the continuing connected transactions. The entering into of such separate implementation agreements is necessary because the terms of each individual transaction between the relevant counterparties may vary depending on, among other things, (i) the particular type of products or services required; (ii) the detailed specifications of the products or services

to be provided or received; (iii) the results of each individual negotiation between the transaction counterparties; and (iv) the actual prevailing market price at the time the products or services are provided or received. Based on the different types of products or services to be provided or obtained, the actual market price will be determined in a proper manner, including taking into account the historical quotations by independent third parties in the past three years or the price level published by the third-party trading platforms or trading agents (if applicable) and the industry practices, price inquiry or competitive negotiation provided or participated by certain independent third party suppliers, or a tender and bidding process before the commencement of certain projects. In addition, as disclosed in the section headed "Internal control procedures for the Group" in the circular, before entering into any implementation agreements pursuant to the continuing connected transaction framework agreements, the relevant executives of the relevant departments of the Company will review contemporaneous prices and other relevant terms offered by at least two independent third parties operating at the same or nearby area before the commencement of the relevant transaction, and ensure that the terms offered by the relevant connected persons are fair and reasonable and comparable to those offered by independent third parties. Where the offers made by independent third parties are more favourable to the Company, the Company would take up those offers of the independent third parties. Therefore, the Directors are of the view that the entering into implementation agreements depending on the change in the actual prevailing market price of the products or services to be provided or obtained is considered to be fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Each implementation agreement shall set out the specific terms and conditions for the particular transaction, including but not limited to rights and benefits of the parties, coordination of the parties, fees and expenses, payments, use of information, breach of agreement and exclusion of liabilities. Any execution and amendments of such implementation agreements shall not contravene the agreements in relation to the Non-exempt Continuing Connected Transactions and the Partially Exempt Continuing Connected Transactions. The terms of each implementation agreement are also subject to the agreements in relation to the Non-exempt Continuing Connected Transactions and the Partially Exempt Continuing Connected Transactions.

As the implementation agreements only provide for further elaborations on the transactions contemplated under the agreements in relation to the Non-exempt Continuing Connected Transactions and the Partially Exempt Continuing Connected Transactions, they do not constitute new categories of continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

Reasons for and benefits of entering into the transactions contemplated under the agreements in relation to the Non-exempt Continuing Connected Transactions and the Partially Exempt Continuing Connected Transactions

Due to the long established and close business relationship between the members of the Group and the COSCO SHIPPING Group, a number of transactions have been and will continue to be entered into between the Group and the COSCO SHIPPING Group, which are individually significant and collectively essential to the core business of the Group, and will continue to be beneficial to the Group. In addition, the renewal of the continuing connected transactions under the agreements in relation to the Non-exempt Continuing Connected Transactions is in line with the business strategy of the Company and will facilitate the future development of the Company as a world-class excellent shipping industry-finance operator with COSCO SHIPPING characteristics.

In view of the rapid expansion and development of the domestic shipping markets, the improvement of the shipping route network and the good corporate brand and reputation of the COSCO SHIPPING Group, the Group believes that the entering into of the Master Operating Lease Services Agreement will help to continue the long-term cooperation between the Group and the COSCO

SHIPPING Group in operating lease of vessels, containers and other production equipment, achieving complementary advantages as well as synergies in the domestic and international shipping markets.

In addition to the above, by entering into the Master Vessel Services Agreement, the Group and the COSCO SHIPPING Group will continue to deepen their cooperation, and it is expected that this will reduce the Group's operating costs in procuring vessel and other ancillary services, thereby further enhancing the synergies between both parties.

Under the Master Containers Services Agreement, the container and other ancillary services to be provided by the Group to the COSCO SHIPPING Group and those to be received by the Group from the COSCO SHIPPING Group are of different nature. The Group provides services including sale and purchase of containers and container commissioned production services to the COSCO SHIPPING Group, whereas the COSCO SHIPPING Group provide services including provision of ancillary materials to containers, provision of container stacking yard, container logistics, container management and container repairs to the Group. The mutual provision of complementary services between the Group and the COSCO SHIPPING Group under the Master Containers Services Agreement enables the Group to focus on its principal business through the entrustment of various operational support functions such as the delivery and storage of manufactured containers to external service providers, being professional companies owned by the COSCO SHIPPING Group. Through such arrangement and in light of the above-mentioned long established and close business relationship between the Group and the COSCO SHIPPING Group, the Group will be able to (i) continue to negotiate more favourable terms with the COSCO SHIPPING Group compared with those offered by other external service providers; and (ii) enhance its operational efficiency while reducing operating costs.

In addition, COSCO SHIPPING is a key state-owned enterprise and part of a large shipping conglomerate that operates across different regions, sectors and countries, and the COSCO SHIPPING Group entails well-known marine transportation corporations with outstanding competency in the shipping industry and has developed good experience, familiarity and service systems in respect of the products and services under the agreements in relation to the Non-exempt Continuing Connected Transactions, the Partially Exempt Continuing Connected Transactions and the Fully Exempt Continuing Connected Transaction. The cooperation with the COSCO SHIPPING Group facilitates and supports the growth of the core business of the Group, and enables the Group to fully leverage on their advantages and to achieve better operating performance.

Finally, the terms and conditions provided by the COSCO SHIPPING Group in relation to the continuing connected transactions under the agreements in relation to the Non-exempt Continuing Connected Transactions, the Partially Exempt Continuing Connected Transactions and the Fully Exempt Continuing Connected Transaction are generally more favourable to the Group than those provided by independent third parties to the Group, or those provided by the COSCO SHIPPING Group to independent third parties. The cooperation between the Group and the COSCO SHIPPING Group enables a development of steady relationship between them.

Implications under the Hong Kong Listing Rules

As at the Latest Practicable Date, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 6,123,503,998 A Shares and 100,944,000 H Shares, representing approximately 47.16% of the total issued share capital of the Company. Accordingly, COSCO SHIPPING is an indirect controlling shareholder of the Company and therefore a connected person of the Company.

As one or more applicable percentage ratios in respect of the Proposed Annual Caps for each of the Non-exempt Continuing Connected Transactions calculated in accordance with the Hong Kong Listing

Rules are expected to exceed 5%, the Non-exempt Continuing Connected Transactions, together with their respective Proposed Annual Caps, are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Master Operating Lease Services Agreement

In respect of the provision of operating lease services by the Group to the COSCO SHIPPING Group under the Master Operating Lease Services Agreement, (i) it is of a revenue nature in the ordinary and usual course of business of the Company; and (ii) the leases involved are operating leases which have no material impact on the operation of the Company and the amount or value of the leases involved will not result in the expansion of the Company's existing scale of operation through such lease arrangement by 200% or more, the Board considers that it does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

Master Vessel Services Agreement

The provision of vessel services, including vessel construction supervision services, material merchandising services, supply of crew members, vessel repair and maintenance services, shipping agent services and other ancillary services, by the COSCO SHIPPING Group to the Group under the Master Vessel Services Agreements is of a revenue nature in the ordinary and usual course of business of the COSCO SHIPPING Group. Accordingly, the Board considers that the provision of vessel and other ancillary services by the Group to the COSCO SHIPPING Group under the Master Vessel Services Agreements does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

Master Containers Services Agreement

The sale of containers manufactured by the Group to the COSCO SHIPPING Group under the Master Containers Services Agreement is of a revenue nature in the ordinary and usual course of business of the Company. Accordingly, the Board considers that the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Master Containers Services Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

As one or more applicable percentage ratios in respect of the Proposed Annual Caps for the Partially Exempt Continuing Connected Transactions calculated in accordance with the Hong Kong Listing Rules are expected to exceed 0.1% but are less than 5%, the Partially Exempt Continuing Connected Transactions, together with their respective Proposed Annual Caps, are subject to the reporting, announcement, annual review requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As each of the applicable percentage ratios in respect of the Proposed Annual Caps for the Fully Exempt Continuing Connected Transaction calculated in accordance with the Hong Kong Listing Rules is expected to be less than 0.1%, the Proposed Annual Caps for the Fully Exempt Continuing Connected Transaction are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Financial Services Agreement

Principal terms

On 30 October 2025, the Company and COSCO SHIPPING Finance entered into the Financial Services Agreement, pursuant to which COSCO SHIPPING Finance has agreed to provide to the Group, and the Group agreed to purchase from COSCO SHIPPING Finance the financial services. The principal terms of the Financial Services Agreement are set out below.

Parties:

(i) The Company; and

(ii) COSCO SHIPPING Finance.

Nature of transactions:

Pursuant to the Financial Services Agreement, COSCO SHIPPING Finance agreed to provide financial services to the Group. Such services include:

(i) deposit services;

(ii) loan services;

(iii) settlement services;

(iv) foreign exchange services; and

(v) other businesses that COSCO SHIPPING Finance is permitted to conduct upon approval by NAFR or its delegated authorities.

Pricing policies:

(i) Deposit services:

COSCO SHIPPING Finance shall, in compliance with the interest rates policy requirements of the PBOC, provide deposit services to the Group at interest rates not lower than the rates offered by the major and independent third-party commercial banks in the service location or adjacent areas on normal commercial terms for such types of deposits.

(ii) Loan services:

COSCO SHIPPING Finance shall, in compliance with the interest rates policy requirements of the PBOC, provide loan services (including, among other things, loan, bills acceptance and discounting, letter of guarantee and other services) to the Group at interest rates not higher than the interest rate or charging rate offered by the major and independent third-party commercial banks in the service location or adjacent areas on normal commercial terms for such types of loans.

(iii) Settlement services:

COSCO SHIPPING Finance shall provide settlement services to the Group at fees not higher than: (a) the minimum fees stipulated by the PBOC to be charged for the same type of services (if any); (b) the fees charged by any independent third party for the same type of services; and (c) the fees charged by COSCO SHIPPING Finance for similar type of services on any independent third party with the same credit rating.

Pursuant to the Financial Services Agreement, COSCO SHIPPING Finance shall not charge the Group any fees for settlement services.

(iv) Foreign exchange services:

COSCO SHIPPING Finance shall provide foreign exchange services to the Group at fees not higher than: (a) the minimum fees stipulated by the PBOC to be charged for the same type of services (if any); (b) the fees charged by any independent third party for the same type of services; and (c) the fees charged by COSCO SHIPPING Finance for similar type of services on any independent third party with the same credit rating.

(v) Other services (including financial advisory services):

The fees charged by COSCO SHIPPING Finance for the provision of other financial services to the Group shall not be higher than (a) the minimum fees stipulated by the PBOC to be charged for similar type of services (if any); (b) the fees charged by any independent third party for similar type of services; or (c) the fees charged by COSCO SHIPPING Finance for similar type of services on any independent third party with the same credit rating.

Implementation agreements: Pursuant to the Financial Services Agreement, the Group and COSCO SHIPPING Finance shall enter into separate implementation agreements in respect of specific financial services and other relevant matters.

Term and termination: The Financial Services Agreement shall become effective upon the execution and affixation of seals by the legal or authorised representatives of the parties, subject to the relevant approvals from the empowered bodies (including the Board) in respect of the annual caps, pursuant to the Financial Services Agreement, the respective articles of association of the parties, applicable laws, regulations and rules of stock exchanges.

The initial term of the Financial Services Agreement shall be three years from 1 January 2026 to 31 December 2028. Upon expiry of the initial term, the Financial Services Agreement shall be automatically extended for three years (subject to compliance with the requirements of the Hong Kong Listing Rules and the Shanghai Listing Rules and written consent of the parties) unless a written notice of termination is served by either party on the other three months prior to the expiry date.

Risk assessment and control: Pursuant to the Financial Services Agreement, the Company has the right to understand the operating conditions and financial conditions of COSCO SHIPPING Finance, and to conduct assessment on the operating qualifications, business and risks of COSCO SHIPPING Finance, so as to control and respond to possible capital risks of COSCO SHIPPING Finance in a timely manner.

COSCO SHIPPING Finance shall notify the Company in writing within two business days of the occurrence of the following events and take measures to avoid the occurrence or increase of losses:

(1) COSCO SHIPPING Finance does not comply with the regulatory requirements on indicators under Article 34 of the Measures for the Administration of Finance Companies of Enterprise Groups, or has breached the provisions of Articles 21, 22 or 23 of the Measures for the Administration of Finance Companies of Enterprise Groups;

(2) the occurrence of material events such as bank run, inability to pay debts when they fall due, large amount of overdue loans or guarantee advances, material failure of computer system, robbery or fraud, serious disciplinary violations or criminal cases involving directors or senior management of COSCO SHIPPING Finance;

(3) the occurrence of major institutional changes, equity transactions or operational risks that may affect the normal operation of COSCO SHIPPING Finance;

(4) the deposit balance of the Company and its subsidiaries with COSCO SHIPPING Finance accounts for more than 30% of the deposit balance absorbed by COSCO SHIPPING Finance;

(5) the liabilities due from the shareholders of COSCO SHIPPING Finance to COSCO SHIPPING Finance are outstanding for more than six months;

(6) COSCO SHIPPING Finance experiences a serious payment crisis;

(7) the loss of COSCO SHIPPING Finance for the year exceeds 30% of its registered capital or for three consecutive years exceeds 10% of its registered capital;

(8) COSCO SHIPPING Finance is subject to major administrative penalties or rectification orders imposed by regulatory authorities such as the NAFR or its dispatched agencies due to violation of laws and regulations; and

(9) other matters where COSCO SHIPPING Finance may adversely affect the funds deposited by the Company or pose any significant safety risks.

Historical transaction amounts and existing annual caps

The table below sets out the historical transaction amounts and existing annual caps for the provision of deposit services, loan services and foreign exchange services by COSCO SHIPPING Finance to the Group under the Existing Master Financial Services Agreement for the three years ending 31 December 2025:

	Year ended 31 December 2023		Year ended 31 December 2024		Year ending 31 December 2025	
	Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount up to 30 June 2025
	(RMB'000)		*(RMB'000)*		*(RMB'000)*	
Deposit services	18,000,000	13,481,807.7	18,000,000	10,638,026.7	18,000,000	9,371,507.7
Loan services	19,000,000	9,650,525.9	20,000,000	9,341,226.3	21,000,000	8,822,865.5
Foreign exchange services, financial advisory services and other financial services[(1)]	4,000	–	4,100	–	4,200	34.4

Note:

(1) Including the historical transaction amounts and annual caps of foreign exchange services and other financial services under the Existing Master Financial Services Agreement. As the handling fees of the foreign exchange services and other financial services under the Existing Master Financial Services Agreement are of the same nature, they are presented on a consolidated basis. Pursuant to the Existing Master Financial Services Agreement, COSCO SHIPPING Finance shall not charge the Group any fees for settlement services.

The Board confirms that, as at the Latest Practicable Date, the existing annual caps for the provision of deposit services, loan services and foreign exchange services by COSCO SHIPPING Finance to the Group under the Existing Master Financial Services Agreement for the year ending 31 December 2025 have not been exceeded.

Proposed Annual Caps and basis for determining the Proposed Annual Caps

The table below sets out the Proposed Annual Caps for the provision of deposit services, loan services and foreign exchange services and financial advisory services by COSCO SHIPPING Finance to the Group under the Financial Services Agreement for the three years ending 31 December 2028:

	Year ending 31 December 2026 Proposed Annual Cap *(RMB'000)*	Year ending 31 December 2027 Proposed Annual Cap *(RMB'000)*	Year ending 31 December 2028 Proposed Annual Cap *(RMB'000)*
Deposit services[(1)]	18,000,000	19,000,000	20,000,000
Loan services[(2)]	23,000,000	25,000,000	28,000,000
Foreign exchange services and financial advisory services[(3)]	4,200	4,200	4,200

Notes:

(1) Estimated based on the peak value of deposits (including accrued interest and handling fees) held by the Group in COSCO SHIPPING Finance.

(2) Estimated based on the maximum daily outstanding loan balance (including accrued interest and handling fees) granted by COSCO SHIPPING Finance to the Group. This facility operates on a revolving basis within the loan service limit.

(3) Including the Proposed Annual Caps of the foreign exchange services and financial advisory services under the Financial Services Agreement. As the handling fees of the foreign exchange services and financial advisory services under the Financial Services Agreement are of the same nature, they are presented on a consolidated basis. Pursuant to the Financial Services Agreement, COSCO SHIPPING Finance shall not charge the Group any fees for settlement services.

In arriving at the Proposed Annual Caps for the deposit services to be provided by COSCO SHIPPING Finance to the Group under the Financial Services Agreement, the Directors have considered:

(i) the historical transaction amounts for the provision of deposit services by COSCO SHIPPING Finance to the Group under the Existing Master Financial Services Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025, which had not fully utilised the previous annual caps mainly because the Company has utilised deposit limits based on its funding plan and project progress, which has been largely in line with its actual funding position. As of the Latest Practicable Date, the maximum daily outstanding balance of deposits of the Group placed with COSCO SHIPPING Finance under the Existing Master Financial Services Agreement occurred in August 2025, which represented approximately 70.85% of the cash balance of the Group on the same day;

(ii) the container shipping market has continued to improve in recent years, the operating results of the Group has steadily improved, the net operating cash flow has increased significantly, and the transaction amount of the deposit services under the Financial Services Agreement is expected to increase correspondingly;

(iii) the expected fluctuation in the exchange rate of RMB against US$ after taking into account that the Group has a certain proportion of revenue denominated in US$;

(iv) the general expansion of business of COSCO SHIPPING Finance, which is conducive to the establishment and integration of an industry-finance ecosystem that is more closely connected to the shipping industry and the further enhancement of its financial service capabilities;

(v) the expected increase in financing demands of the Group, including capital injection in subsidiaries, repayment of the maturing corporate bonds and replenishment of working capital; and

(vi) pursuant to the Financial Services Agreement, the Group has full discretion to withdraw all funds under the deposit services of the Financial Services Agreement on an as-needed basis without any restriction. The Group has also adopted more stringent capital risk control measures in respect of the deposits under the Financial Services Agreement. For further details, please refer to the section headed "Principal terms of the Financial Services Agreement – Risk assessment and control" above. Therefore, the Directors consider that it is in the interests of the Company and the Shareholders as a whole to deposit the Group's funds with COSCO SHIPPING Finance subject to the Proposed Annual Caps.

In determining the Proposed Annual Caps for the provision of loan services by COSCO SHIPPING Finance to the Group under the Financial Services Agreement, the Directors have considered:

(i) the historical transaction amounts for the provision of loan services by COSCO SHIPPING Finance to the Group under the Existing Master Financial Services Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025;

(ii) the Group's capital management strategy; and

(iii) the expected increase in demand for other loan services as a result of the business growth of the Group.

In arriving at the Proposed Annual Caps for the foreign exchange services and financial advisory services to be provided by COSCO SHIPPING Finance to the Group under the Financial Services Agreement, the Directors have considered:

(i) the historical transaction amounts for the provision of foreign exchange services by COSCO SHIPPING Finance to the Group under the Existing Master Financial Services Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025;

(ii) the general expansion of business of COSCO SHIPPING Finance, which is conducive to the establishment and integration of an industry-finance ecosystem that is more closely connected to the shipping industry and the further enhancement of its financial service capabilities; and

(iii) the expected increase in foreign exchange services and financial advisory services demands of the Group.

Implementation agreements

Pursuant to the terms of the Financial Services Agreement, the Group may, from time to time and as necessary, enter into separate implementation agreements in respect of specific financial services and other relevant matters contemplated under the Financial Services Agreement.

Each implementation agreement shall set out the specific terms and other relevant conditions for the particular transaction, including but not limited to rights and benefits of the parties, coordination of the parties, fees and expenses, payments, use of information, breach of agreement and exclusion of liabilities. Any execution and amendments of such implementation agreements shall not contravene the Financial Services Agreement.

As the implementation agreements only provide for further elaborations on the transactions contemplated under the Financial Services Agreement, they do not constitute new categories of continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

Financial effects of the Financial Services Agreement

The Proposed Annual Caps for peak value of deposits (including accrued interest and handling fees for the deposit services to be provided by COSCO SHIPPING Finance to the Group under the Financial Services Agreement) for the three years ending 31 December 2028 are RMB18,000,000,000, RMB19,000,000,000 and RMB20,000,000,000, respectively. As described in "Financial Services Agreement — Principal terms — Pricing policies" in the circular, COSCO SHIPPING Finance shall, in

compliance with the interest rates policy requirements of the PBOC, provide deposit services to the Group at interest rates not lower than the rates offered by the major and independent third-party commercial banks in the service location or adjacent areas on normal commercial terms for such types of deposits. As a term of the Financial Services Agreement, the deposit services provided by COSCO SHIPPING Finance shall comply with the above requirements. The Group will also inquire about and compare the interest rates of deposits with independent commercial banks in or near the service areas to ensure that the deposit services provided by COSCO SHIPPING Finance comply with the requirements of the Financial Services Agreement. The Group is not restricted under the Financial Services Agreement to approach and in fact choose any bank or financial institution to satisfy its financial services needs. At the same time, the Group has also adopted more stringent capital risk control measures for the deposits under the Financial Services Agreement. For further details, please refer to the section headed "Financial Services Agreement — Principal terms — Risk assessment and control" in the circular. In addition, as disclosed in the section headed "Financial Services Agreement — Reasons for and benefits of entering into the Financial Services Agreement" in the circular, as at the Latest Practicable Date, the Company held 13.3840% equity interests in COSCO SHIPPING Finance and was the third largest shareholder of COSCO SHIPPING Finance. Therefore, the Company can participate in the decision-making process of COSCO SHIPPING Finance while obtaining the economic benefits brought by the improvement of the service level of COSCO SHIPPING Finance. The Company has certain influence on the operation of COSCO SHIPPING Finance, so that it could better serve the development of the Group. As such, the Directors are of the view that the interest rates for the deposit services provided by COSCO SHIPPING Finance are expected to meet the requirements under the Financial Services Agreement, fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

It is expected that the deposit services to be provided by COSCO SHIPPING Finance to the Group under the Financial Services Agreement will earn interest income for the Group at the above rates. As the potential interest income to be earned from the deposit services for the three years ending 31 December 2028 is not expected to constitute a significant portion of the profits and assets of the Group, the Company anticipates that such potential interest income will not have any material impact on the profits, assets and liabilities of the Group.

Reasons for and benefits of entering into the Financial Services Agreement

It is common for large corporate groups in the PRC to set up and maintain a finance company to provide financial services to the group members as this improves centralised management and utilisation efficiency of group funds, and assists the group members in reducing financing costs and investment risks. COSCO SHIPPING Finance is an indirect non-wholly owned subsidiary of COSCO SHIPPING and may provide financial services to the COSCO SHIPPING Group and the Group. COSCO SHIPPING Finance has obtained all approvals, permits and licenses necessary for its operations, and is operating under the routine supervision and regulation of regulatory authorities including the PBOC and NAFR. To the best knowledge and belief of the Directors, COSCO SHIPPING Finance operates in strict compliance with the risk monitoring indicators issued by the NAFR. The capital risk control measures are well-established and the internal control procedures are effective, which is conducive to the Company's strengthening of capital supervision and prevention of capital risks. At the same time, the Group has also adopted more stringent capital risk control measures in respect of the deposits under the Financial Services Agreement. For further details, please refer to the section headed "Principal terms of the Financial Services Agreement – Risk assessment and control" above.

As at the Latest Practicable Date, the Company held 13.3840% equity interests in COSCO SHIPPING Finance and was the third largest shareholder of COSCO SHIPPING Finance. Therefore, the Company can participate in the decision-making process of COSCO SHIPPING Finance while obtaining the economic benefits brought by the improvement of the service level of COSCO SHIPPING Finance. The Company has certain influence on the operation of COSCO SHIPPING Finance, so that it could better serve the development of the Group.

In addition, pursuant to the Financial Services Agreement, the Company has the right to understand the operating condition and financial position of COSCO SHIPPING Finance, to evaluate the operating qualification, business and risks of COSCO SHIPPING Finance, and to control and respond to possible capital risks of COSCO SHIPPING Finance in a timely manner. During the term of the Financial Services Agreement, the Company will conduct a risk assessment on COSCO SHIPPING Finance on a semi-annual basis. The Company will obtain and review information including but not limited to the financial reports of COSCO SHIPPING Finance. The Company will also continue to evaluate the operating qualification and risk control measures of COSCO SHIPPING Finance to effectively prevent capital risks.

The terms and conditions of the deposit services, loan services, settlement services, foreign exchange services and financial advisory services to be provided by COSCO SHIPPING Finance under the Financial Services Agreement are generally more favourable to the Group than those provided by independent third parties, or those provided by COSCO SHIPPING Finance to independent third parties.

Furthermore, the Group is not restricted under the Financial Services Agreement to approach, and in fact may choose any bank or financial institution to satisfy its financial service needs. Its criteria in making the choice could be based on costs and quality of services. Pursuant to the Financial Services Agreement, the Group has full discretion to withdraw all funds under the deposit services of the Financial Services Agreement on an as-needed basis without any restriction. Therefore, the Group may, but is not obliged to, continue to use the deposit services, loan services, settlement services, foreign exchange services and financial advisory services of COSCO SHIPPING Finance if the service quality provided is competitive. With such flexibility under the Financial Services Agreement, the Group is able to better manage its capital and cash flow position.

As COSCO SHIPPING Finance is familiar with the business of the Group, it is able to provide funds required by the Group in a more efficient and timely way as compared to independent third party banks. The Group believes that obtaining financial assistance through COSCO SHIPPING Finance will help to satisfy the Group's funding needs and reduce its financing costs. Under the current rising uncertainties in the global macro environment, sufficient cash reserves will help to enhance the Group's ability to resist risks and mitigate cyclical fluctuations, and help the Group to seize potential industry opportunities and achieve high-quality and sustainable development.

Capital risk control measures

In addition to the measures disclosed in the section headed "Principal terms of the Financial Services Agreement – Risk assessment and control" above, the Group has adopted risk management policy on transactions with COSCO SHIPPING Finance applicable to deposit services, including:

(i) COSCO SHIPPING Finance is required to comply with risk management protocols and guidelines promulgated by the NAFR and the relevant laws and regulations;

(ii) COSCO SHIPPING Finance is required to provide the Company a copy of all relevant licenses;

(iii) COSCO SHIPPING Finance is required to report to the Company the financial ratios of COSCO SHIPPING Finance as set out in "the Interim Measures for the Assessment of Risk Supervision Indicators of Finance Company of Enterprise Group" (《企業集團財務公司風險監管指標考核暫行辦法》) issued by NAFR within 15 business days after the end of each quarter; COSCO SHIPPING Finance is required to provide the Company a copy of every regulatory report submitted by COSCO SHIPPING Finance to NAFR; and

(iv) COSCO SHIPPING Finance is required to provide the Company a copy of the financial statements of COSCO SHIPPING Finance on a regular basis.

The Directors are of the view that the above capital risk control measures will allow the management of the Group to be informed and notified of any material risks which may harm the recoverability of the deposits placed by the Group with COSCO SHIPPING Finance.

In addition, the Company has been advised that the operations of COSCO SHIPPING Finance are approved by the NAFR. To the best of the Directors' knowledge and belief having made all reasonable enquiries, COSCO SHIPPING Finance has been in compliance with all the major financial services rules and regulations and have sound internal control systems. COSCO SHIPPING Finance can provide financial services, including deposit services, based on the approval issued by the NAFR.

In considering the financial ability of COSCO SHIPPING Finance, and having reviewed the financial information of COSCO SHIPPING Finance for the year ended 31 December 2024, as well as the annual risk management assessment report for the six months ended 30 June 2025 prepared by COSCO SHIPPING Finance summarising the current financial positions of COSCO SHIPPING Finance, the Company has noted that COSCO SHIPPING Finance had total assets of approximately RMB197.85 billion and a net asset value of approximately RMB24.52 billion as at 30 June 2025, and various financial ratios of COSCO SHIPPING Finance were in compliance with the regulations as set out in the "Finance Company Management Measures for Group Enterprise"* (《企業集團財務公司管理辦法》) issued by the NAFR. Accordingly, on the basis that COSCO SHIPPING Finance (i) is under the supervision of the NAFR and has been in compliance with all the major financial services rules and regulation, (ii) has been maintaining satisfactory profitability, operating results and financial position with sound internal control systems and well-regulated management, and (iii) has no historical defaults in the transactions with the Company in its track record, the Board is of the view that the Group would not be exposed to high credit risks for the receipt of financial services from COSCO SHIPPING Finance.

Having taking into consideration that (i) COSCO SHIPPING Finance has been providing financial services to the Group with a longstanding relationship and generally have better and more efficient communication with the Group as compared with other independent banks and financial institutions; (ii) the Group has the flexibility and is not obliged to use COSCO SHIPPING Finance's services; (iii) COSCO SHIPPING Finance has sound financial ability, the Board takes the view that the entering into of the Financial Services Agreement is in the ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole.

COSCO SHIPPING Letter of Undertaking

On 30 October 2025, COSCO SHIPPING issued a letter of undertaking to the Company in relation to the Financial Services Agreement, pursuant to which COSCO SHIPPING unconditionally and irrevocably undertakes, during the effective term of the Financial Services Agreement:

(i) to maintain actual control over COSCO SHIPPING Finance and ensure the standardised operation of COSCO SHIPPING Finance;

(ii) to use its best endeavours and take all reasonable steps to ensure that COSCO SHIPPING Finance will perform its obligations in respect of the deposit services under the Financial Services Agreement for the years of 2026 to 2028;

(iii) in respect of the deposits placed by the Company and its subsidiaries (including subsidiaries within the meaning under the Hong Kong Listing Rules and the meaning of "controlling subsidiaries" under the Shanghai Listing Rules) and associates (within the same meaning under the Hong Kong Listing Rules) with COSCO SHIPPING Finance through the deposit services under the Financial Services Agreement, to use its best endeavours and take all reasonable steps to ensure that COSCO SHIPPING Finance will primarily use such deposits for the provision of fund transfer services and entrusted loan services to the Company and its subsidiaries and associates; and

(iv) within ten business days after the occurrence of the failure of COSCO SHIPPING Finance to perform its obligations under the Financial Services Agreement for the years of 2026 to 2028, to bear all losses incurred therefrom, including but not limited to the deposit principal, interest and expenses incurred therefrom, to the Company and its subsidiaries and associates.

COSCO SHIPPING has confirmed that it has obtained all necessary approvals and authorisations for the implementation of the above letter and that the implementation of the above letter of undertakings will not violate the PRC laws and regulations or conflict with other agreements entered into by COSCO SHIPPING.

Implications under the Hong Kong Listing Rules

As at the Latest Practicable Date, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 6,123,503,998 A Shares and 100,944,000 H Shares, representing approximately 47.16% of the total issued share capital of the Company. Accordingly, COSCO SHIPPING is an indirect controlling shareholder of the Company and therefore a connected person of the Company. COSCO SHIPPING Finance is an indirect non-wholly owned subsidiary of COSCO SHIPPING and therefore an associate of COSCO SHIPPING. Accordingly, COSCO SHIPPING Finance is a connected person of the Company.

Deposit services

As one or more applicable percentage ratios in respect of the Proposed Annual Caps for the Major and Continuing Connected Transaction (being the deposit services to be provided by COSCO SHIPPING Finance to the Group under the Financial Services Agreement) calculated in accordance with the Hong Kong Listing Rules are expected to exceed 25%, such transaction, together with the Proposed Annual Caps thereof, constitute (i) a continuing connected transaction which is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules; and (ii) a major transaction of the Company which is subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

Loan services

The loan services to be provided by COSCO SHIPPING Finance to the Group will constitute financial assistance received by the Group from a connected person. As such transactions will be entered into on normal commercial terms (or better to the Group) and are not secured by the assets of the Group, such transactions are exempt from all reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Settlement services, foreign exchange services and financial advisory services

As each of the applicable percentage ratios in respect of the Proposed Annual Caps for the settlement services, foreign exchange services and financial advisory services under the Financial Services Agreement calculated in accordance with the Hong Kong Listing Rules is expected to be less than 0.1%, such transactions are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Requirements under the Shanghai Listing Rules

Pursuant to the Shanghai Listing Rules, transaction amounts under all types of related party transactions conducted by the Company and entered into between the Company and the same related party within a 12-month period should be aggregated (save for those which have complied with the relevant approval and/or disclosure procedures), and if the total aggregated transaction amount exceeds 5% of the net asset value of the Group as at the end of the preceding financial year, such related party transactions should be presented to a general meeting for Independent Shareholders' approval.

Although only (i) the Non-exempt Continuing Connected Transactions and (ii) the Major and Continuing Connected Transaction and their respective Proposed Annual Caps are subject to the approval of the Independent Shareholders under the Hong Kong Listing Rules, as the Relevant Continuing Connected Transactions also constitute related party transactions of the Company under the Shanghai Listing Rules and are entered into between the Group and the COSCO SHIPPING Group, all the Proposed Annual Caps for the Relevant Continuing Connected Transactions shall be aggregated pursuant to the requirements of the Shanghai Listing Rules. It is expected that such aggregated amount for the three years ending 31 December 2028 will exceed 5% of the net asset value of the Group as at 31 December 2024. Accordingly, ordinary resolutions will be proposed at the EGM for the Independent Shareholders to consider and, if thought fit, approve each of the Relevant Continuing Connected Transactions and their Proposed Annual Caps.

Information on the Group and the COSCO SHIPPING Group

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 Company will develop shipping leasing, container leasing and container manufacturing 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.

Information on COSCO SHIPPING

COSCO SHIPPING is a state-owned enterprise wholly-owned and controlled by SASAC. 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, sales of vessels, containers and steel, maritime engineering etc.

Information on China Shipping

China Shipping is a company incorporated under the laws of the PRC and a wholly-owned subsidiary of COSCO SHIPPING. It is a super-large integrated conglomerate with transnational operation, cross-industry, cross-region and cross-ownership operations and with shipping as its main business.

Information on COSCO SHIPPING Investment

COSCO SHIPPING Investment is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of China Shipping. Its main businesses include strategic investment and asset management based on the principle of integration of industry and finance.

Information on COSCO SHIPPING Finance

COSCO SHIPPING Finance is a company incorporated in the PRC with limited liability and is an indirect non-wholly owned subsidiary of COSCO SHIPPING. It is principally engaged in the provision of deposit services, loan services, financial and financing consultation, credit verification and related consultation and agency services, settlement, and liquidation. As at the Latest Practicable Date, COSCO SHIPPING Finance is held as to 13.3840% by the Company, and the remaining equity interest is held by other members of the COSCO SHIPPING Group.

Confirmations of the Board

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 COSCO SHIPPING to the Board, have abstained from voting on the relevant Board resolutions approving the Relevant Continuing Connected Transactions and their respective Proposed Annual Caps. Save as aforementioned, none of the other Directors has a material interest in the Relevant Continuing Connected Transactions and their respective Proposed Annual Caps, and therefore no other Director has abstained from voting on such Board resolutions.

The Directors (including the independent non-executive Directors, whose view is also set out in the Letter from the Independent Board Committee of this circular) consider that (i) the Non-exempt Continuing Connected Transactions will be conducted in the ordinary and usual course of business of the Group and are on normal commercial terms, and that the terms of the Non-exempt Continuing Connected Transactions and their respective Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the Major and Continuing Connected Transaction will be conducted in the ordinary and usual course of business of the Group and is on normal commercial terms, and that the terms of the Major and Continuing Connected Transaction and the Proposed Annual Caps thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that (i) the Partially Exempt Continuing Connected Transactions and the Fully Exempt Continuing Connected Transaction will be conducted in the ordinary and usual course of business of the Group and are on normal commercial terms; (ii) the transactions contemplated under the Financial Services Agreement (other than the provision of deposit services) will be conducted in the ordinary and usual course of business of the Group and are on normal commercial terms; (iii) the terms of (a) the Partially Exempt Continuing Connected Transactions; (b) the Fully Exempt Continuing Connected Transaction; and (c) the transactions contemplated under the Financial Services Agreement (other than the provision of deposit services) and their respective Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Internal Control Procedures for the Group

Pursuant to the terms of the continuing connected transaction framework agreements of the Group, the Group may, from time to time and as necessary, enter into separate implementation agreements for each of the specific transactions contemplated under the continuing connected transaction framework agreements of the Group.

Each implementation agreement shall set out the specific terms and other relevant conditions for the particular transaction, including but not limited to rights and benefits of the parties, coordination of the parties, fees and expenses, payments, use of information, breach of agreement and exclusion of liabilities. Any execution and amendments of such implementation agreements shall not contravene the relevant continuing connected transaction framework agreements.

In addition to the annual review by the auditors and independent non-executive Directors pursuant to the requirements of Chapter 14A of the Hong Kong Listing Rules, the Company has implemented the following internal control procedures to ensure that the terms offered by the relevant connected parties are no less favourable than those available to or from independent third parties (as the case may be) and the continuing connected transactions of the Group are conducted in accordance with the pricing policy under the respective continuing connected transaction framework agreements:

(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 Hong Kong Listing Rules) in relation to connected transactions;

(ii) before entering into any implementation agreements pursuant to the continuing connected transaction framework agreements, the relevant executives of, amongst others, Shanghai Universal Logistics Equipment Co., Ltd. (上海寰宇物流裝備有限公司) and Florens International Limited (佛羅倫國際有限公司), the wholly-owned subsidiaries of the Company responsible for the relevant business fields, will review contemporaneous prices and other relevant terms offered by at least two independent third parties operating at the same or nearby area before the commencement of the relevant transaction, and ensure that the terms offered by the relevant connected persons are fair and reasonable and comparable to those offered by independent third parties. Where the offers made by independent third parties are more favourable to the Company, the Company would take up those offers of the independent third parties;

(iii) after entering into the implementation agreements pursuant to the continuing connected transaction framework agreements, the Company will quarterly examine the pricing of the transactions under the continuing connected transaction framework agreements to ensure that they are conducted in accordance with the pricing terms thereof, including reviewing the transaction records of the Company for the provision or purchase of similar goods or services to or from independent third parties, as the case may be;

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

(v) the Company will quarterly summarise the transaction amounts incurred under the respective continuing connected transaction framework agreements and submit quarterly 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;

(vi) 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 Hong Kong Listing Rules and if necessary, refrain from further conducting the Relevant Continuing Connected Transactions until the revised annual caps are approved; and

(vii) the supervision department of the Company will review and inspect the progress of the Relevant Continuing Connected Transactions on a half-year basis.

In addition to the above, the Company's external auditors will conduct an annual review of the transactions entered into under the relevant continuing connected transaction framework agreements to check and confirm, among others, whether the terms have been adhered to and whether the relevant annual caps have been exceeded, and the independent non-executive Directors will conduct an annual review of the status of the transactions contemplated under the relevant continuing connected transaction framework agreements to ensure that they have complied with the relevant requirements under the Listing Rules.

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 approved by the Independent Shareholders or as announced are not exceeded.

IV. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps.

In this connection, the Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps.

V. PROPOSED APPOINTMENT OF MR. ZHENG AS A NON-EXECUTIVE DIRECTOR

As disclosed in the announcement of the Company dated 28 November 2025, as recommended by COSCO SHIPPING and as reviewed and proposed by the Nomination Committee, the Board has proposed to nominate Mr. Zheng as a non-executive Director. According to the Articles of Association, the Proposed Appointment is subject to the approval by the Shareholders at a general meeting of the Company. The ordinary resolution in relation to the Proposed Appointment will be proposed at the EGM.

The biographical details of Mr. Zheng are as follows:

Mr. Zheng Xiaozhe (鄭曉哲), aged 53, joined the workforce in July 1995 and has served as Deputy Director (in charge) of the Supervision Division of the Insurance Funds Utilization Supervision Department of the China Insurance Regulatory Commission, Director of the Insurance Protection Fund Division of the Finance and Accounting Department of the China Insurance Regulatory Commission, Party Committee Member, Assistant General Manager and Board Secretary of China United Insurance Holdings Co., Ltd., Party Committee Member, Board Secretary and Deputy General Manager of China United Property Insurance Co., Ltd. (during which he concurrently served as Party Secretary and General Manager of the Beijing Branch of China United Property Insurance Co., Ltd.), and General Manager, Chairman, and Party Secretary of COSCO SHIPPING Captive Insurance Co., Ltd.

Mr. Zheng graduated from Renmin University of China with a Major in Economic Law and holds a Master of Laws degree.

Subject to the approval by the Shareholders of the proposed appointment of Mr. Zheng at the EGM, Mr. Zheng will enter into a service contract with the Company for a term of service commencing on the date of his appointment until the end of the term of the current session of the Board. Pursuant to such proposed service contract, Mr. Zheng will not receive any remuneration from the Company for serving as a non-executive Director.

Save as disclosed above, as at the date of this announcement, Mr. Zheng (i) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (iii) does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or other major appointments and professional qualifications; and (iv) does not hold any other positions with other members of the Group. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in connection with the proposed appointment of Mr. Zheng and there is no information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In identifying suitable candidates for a non-executive Director, the Nomination Committee shall consider candidates on merit against objective criteria and with due regard to the benefits of the diversity of the Board. The factors considered by the Nomination Committee in assessing the suitability of a proposed candidate include: (i) reputation for integrity; (ii) accomplishments, professional knowledge and industry experience which may be relevant to the Group; (iii) commitment to the business of the Group in respect of time, interest and attention; (iv) perspectives, skills and experience that the individual can contribute to the Board; (v) diversity in a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service; and (vi) Board succession planning considerations and long-term objectives of the Group. The Nomination Committee also considers that Mr. Zheng can contribute to the diversity of the Board, in particular, with his education background and working experience in various companies.

VI. EGM

The EGM will be convened for the Shareholders to consider and, if thought fit, approve, among other things, the aforementioned resolutions.

As at the Latest Practicable Date, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 6,123,503,998 A Shares and 100,944,000 H Shares, representing approximately 47.16% of the total issued share capital of the Company. COSCO SHIPPING and its associates and all other Shareholder(s) (if any) who are involved or interested in the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps will be required to abstain from voting on these relevant resolutions to be proposed at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Shareholders have a material interest in these relevant resolutions, and therefore no other Shareholders are required to abstain from voting at the EGM for such resolutions.

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 in the EGM, therefore no Shareholder is required to abstain from voting at the EGM for the relevant resolutions.

For the purpose of holding the EGM, the Register of Members will be closed from 10 December 2025 to 15 December 2025 (both days inclusive), during which period no transfer of H Shares will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on 9 December 2025 are entitled to attend and vote at the EGM. In order to attend and vote at the EGM, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 9 December 2025.

VII. RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on pages 65 to 66 of this circular and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 67 to 102 of this circular in connection with the 2025 Second Heavy Industry Shipbuilding Contracts and transactions contemplated thereunder, and the principal factors and reasons considered by the Independent Financial Adviser in arriving at such advice.

The Independent Board Committee, having considered the terms of the 2025 Second Heavy Industry Shipbuilding Contracts, the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and the advice of the Independent Financial Adviser, is of the view that: (i) the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps were entered into in the ordinary and usual course of business of the Company on normal commercial terms; and (ii) the terms of the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps 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 resolutions to be proposed at the EGM to approve the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps.

The Board recommends the Independent Shareholders to vote in favour of the resolutions to approve the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps at the EGM.

The Board also considers that the resolution in respect of the Proposed Appointment is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution in respect of the Proposed Appointment to be proposed at the EGM.

VIII. ADDITIONAL INFORMATION

The Independent Shareholders are advised to read the aforesaid letters before deciding as to how to vote on the resolutions approving the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps.

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

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

* *The Company is a registered non-Hong Kong company as defined in 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.".*

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)

28 November 2025

To the Independent Shareholders

Dear Sir or Madam,

(1) MAJOR AND CONNECTED TRANSACTIONS REGARDING 2025 SECOND HEAVY INDUSTRY SHIPBUILDING CONTRACTS (2) CONTINUING CONNECTED TRANSACTIONS AND MAJOR AND CONTINUING CONNECTED TRANSACTION REGARDING CERTAIN MASTER AGREEMENTS

We refer to the circular of the Company dated 28 November 2025 (the "**Circular**"), of which this letter forms part. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps, details of which are set out in the "Letter from the Board" in the Circular. Goldlink Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the "Letter from the Board" set out on pages 10 to 64 of the Circular, the "Letter from Independent Financial Adviser" set out on pages 67 to 102 of the Circular and the additional information set out in appendices to the Circular.

Having taken into account, among other things, the principal factors and reasons considered by, and the advice of, the Independent Financial Adviser as set out in the "Letter from the Independent Financial Adviser" in the Circular, we concur with the view of the Independent Financial Adviser and consider that the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps were entered into in the ordinary and usual course of business of the Group and are on normal commercial terms. The terms of the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps 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 ordinary resolutions in relation to the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps to be proposed at the EGM.

Yours faithfully,
Independent Board Committee

Mr. Shao Ruiqing **Mr. Chan Kwok Leung** **Mr. Wu Daqi**
Independent non-executive Directors

* *The Company is a registered non-Hong Kong company as defined in 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.".*

The following is the full text of a letter of advice from Goldlink Capital (Corporate Finance) Limited to the Independent Board Committee and the Independent Shareholders in respect of the (i) 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder and (ii) the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps, which has been prepared for the purpose of inclusion in this circular.



28/F
Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

28 November 2025

*To: The Independent Board Committee and the Independent Shareholders of COSCO SHIPPING DEVELOPMENT CO., LTD.**

Dear Sir or Madam,

(1) MAJOR AND CONNECTED TRANSACTIONS REGARDING 2025 SECOND HEAVY INDUSTRY SHIPBUILDING CONTRACTS AND (2) CONTINUING CONNECTED TRANSACTIONS AND MAJOR AND CONTINUING CONNECTED TRANSACTION REGARDING CERTAIN MASTER AGREEMENTS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the (i) 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder and (ii) the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company to the Shareholders dated 28 November 2025 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

The Company announced that, among others, on 30 October 2025 (after trading hours), COSCO SHIPPING Development (Hainan) (as the buyer) and Heavy Industry (Dalian) (as the seller) entered into twenty-three (23) 2025 Second Heavy Industry Shipbuilding Contracts on substantially the same terms in relation to the construction of twenty-three (23) 87,000 DWT bulk cargo vessels at the aggregate contract price of approximately RMB7,337,000,000 (exclusive of tax).

As one or more of the applicable percentages ratios calculated in accordance with the Listing Rules in respect of the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder exceed 25% but are all less than 100%, the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder constitute major transactions of the Company which are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, as the term of the Existing Continuing Connected Transactions Agreements will expire on 31 December 2025, in view of the Company's intention to continue to enter into transactions of similar nature from time to time after the relevant expiry date, the parties have agreed to enter into the Non-exempt Continuing Connected Transactions agreements for a term of three years commencing on 1 January 2026 and ending on 31 December 2028. In addition, on 30 October 2025, the Company and COSCO SHIPPING Finance entered into the Master Financial Services Agreement, pursuant to which COSCO SHIPPING Finance has agreed to provide to the Group, and the Group agreed to purchase from the COSCO SHIPPING Finance, the financial services. The initial term of the Master Financial Services Agreement shall be three years from 1 January 2026 to 31 December 2028.

As one or more applicable percentage ratios in respect of the Proposed Annual Caps for each of the Non-exempt Continuing Connected Transactions calculated in accordance with the Hong Kong Listing Rules are expected to exceed 5%, the Non-exempt Continuing Connected Transactions, together with their respective Proposed Annual Caps, are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

In addition, as one or more applicable percentage ratios in respect of the Proposed Annual Caps for the Major and Continuing Connected Transaction (being the deposit services to be provided by COSCO SHIPPING Finance to the Group under the Financial Services Agreement) calculated in accordance with the Hong Kong Listing Rules are expected to exceed 25%, such transaction, together with the Proposed Annual Caps thereof, constitute (i) a continuing connected transaction which is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules; and (ii) a major transaction of the Company which is subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

As at the Latest Practicable Date, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 6,123,503,998 A Shares and 100,944,000 H Shares, representing approximately 47.16% of the total issued share capital of the Company. Accordingly, COSCO SHIPPING is an indirect controlling shareholder of the Company and therefore a connected person of the Company. As at the Latest Practicable Date, Heavy Industry (Dalian) is an indirect wholly-owned subsidiary of COSCO SHIPPING and therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, (i) the Second 2025 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder and (ii) the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps constitute connected transactions of the Company under Chapter 14A of the Listing Rules, subject to the reporting, announcement and Independent Shareholders' approval requirements thereunder.

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 COSCO SHIPPING to the Board, have abstained from voting on the relevant Board resolutions approving (i) the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder and (ii) the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps. Save as aforementioned, none of the other Directors has a material interest in (i) the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder and (ii) the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps, and therefore no other Director has abstained from voting on such Board resolutions.

The Independent Board Committee (comprising all independent non-executive Directors namely, Mr. Shao Ruiqing, Mr. Chan Kwok Leung and Mr. Wu Daqi) has been formed to advise the Independent Shareholders in relation to (i) the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder and (ii) the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps. We, Goldlink Capital (Corporate Finance) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company and any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. During the past two years, we were appointed as an independent financial adviser for the Company on two occasions. Details of which are set out in (i) its circulars dated 9 October 2024 in relation to discloseable and connected transactions and continuing connected transactions and (ii) its announcement dated 29 July 2025 in relation to continuing connected transaction and 5 September 2025 in relation to major and connected transactions. Furthermore, during the past two years, we were appointed as an independent financial adviser of COSCO SHIPPING Energy Transportation Co., Ltd.* (中遠海運能源運輸股份有限公司) (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), a connected person of the Company, on three occasions. Details of which are set out in its circulars dated (i) 2 February 2024 in relation to discloseable and connected transactions; (ii) 10 December 2024 in relation to certain continuing connected transactions and (iii) 25 March 2025 in relation to certain connected transactions.

Notwithstanding the above, the previous engagements with the Company and its connected persons would not affect our independence from the Company as we consider that the professional fees we received were at normal commercial terms and at insignificant sum which should not give rise to a perception that our independence would be so affected. Further, since the commencement of our work as the Independent Financial Adviser and as at the Latest Practicable Date, we (i) do not have any direct or indirect shareholdings in; (ii) are not a close associate or core connected person of; (iii) do not have any financial connections (other than with normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser and our aforementioned appointments with the Company and its connected persons) with; (iv) no other current business relationship (save for this appointment as the Independent Financial Adviser) with; (v) within 2 years prior to commencement of our work as the Independent Financial Adviser, we did not serve as a financial adviser to; and (vi) are not an auditor or reporting accountant to, (a) the Company; (b) COSCO Shipping or its subsidiaries and (c) any core connected person of the Company. Accordingly, we are independent of the Company pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In arriving at our recommendations, we have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have reviewed, among others, (i) the 2023 Annual Report (as defined below); (ii) the 2024 Annual Report (as defined below); (iii) the 2025 Interim Report (as defined below); (iv) the Quotations (as defined below); (v) a report namely "2025 Annual Review" published by BRS Group; (vi) bases and assumptions adopted by the Group in arriving the Proposed Annual Caps for the Non-exempt Continuing Connected Transactions and Major and Connected Transaction; (vii) the 2024 Assessment Report (as defined below); and (viii) other information as set out in this letter and the Circular. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the Company for which they are solely and wholly responsible, are true and accurate at the time they were made and will continue to be accurate as at the Latest Practicable Date. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 document misleading.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any material facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group and any parties in relation to (i) the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder and (ii) the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of (i) the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder and (ii) the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations, we have taken into consideration the following principal factors and reasons:

1. BACKGROUND INFORMATION ON THE GROUP

1.1 Background of 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 Group 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.

1.2 Financial performance of the Group

Set out below is a summary of the consolidated statements of profit or loss of the Group for each of the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025, which are extracted from (i) the Company's annual reports for (a) the year ended 31 December 2023 (the "**2023 Annual Report**"); and (b) the year ended 31 December 2024 (the "**2024 Annual Report**"); and the Company's interim report for the six months ended 30 June 2025 (the "**2025 Interim Report**").

	Six months ended 30 June	**Year ended 31 December**		
	2025	**2024**	**2023**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(unaudited)	*(audited)*	*(audited)*	*(audited)*
Revenue	12,159,349	27,411,245	15,533,247	25,419,063
Cost of sales	(9,823,079)	(22,767,001)	(11,233,093)	(18,946,972)
Gross profit	2,336,270	4,644,244	4,300,154	6,472,091
Profit for the year attributable to owners of the Company	970,365	1,685,947	1,407,555	3,923,829

For the six months ended 30 June 2025

According to the 2025 Interim Report, the revenue of the Group for the six months ended 30 June 2025 was approximately RMB12.2 billion, representing an increase of 4.3% compared with the same period in 2024. Such increase was mainly due to the increase in container manufacturing business of approximately RMB10.9 billion, representing an increase of approximately 12.2% as compared to same period in 2024. Such increase was mainly due to year-on-year increase in the sales volume of containers driven by the rising container transportation market influenced by the interplay of multiple factors. During the Period, the aggregate container sales was 845,700 TEU, representing a year-on-year increase of 13.61% as compared with 744,400 TEU for the same period of last year.

Profit for the year attributable to owners of the Company for the six months ended 30 June 2025 was approximately RMB970.4 million, representing an increase of approximately 8.4%, which was mainly attributable to (i) increase in revenue with reasons as mentioned above; (ii) the increase in gross profits of approximately 4.6%, which is in line with the increase in revenue; and (iii) the decrease in finance costs of approximately 10.8% to approximately RMB1.8 billion.

*For the year ended 31 December 2024 ("**FY2024**")*

According to the 2024 Annual Report, the revenue of the Group for the FY2024 was approximately RMB27.4 billion, representing an increase of 76.47% compared with 2023. Such increase was mainly due to the substantial increase in container manufacturing business of approximately 124.0% to approximately RMB23.4 billion, which was mainly attributable to increased demand for new containers as a result of recovery in the container market. During the Period, the aggregate container sales were 1,795,900 TEU, representing an increase of 204.08% as compared with 590,600 TEU for the FY2023.

Profit for the year attributable to owners of the Company for FY2024 amounted to RMB1.7 billion, representing an increase of 19.78% as compared to that of approximately RMB1.4 billion for the FY2023, which was mainly due to (i) the increase in revenue as discussed above; (ii) the decrease in selling, administrative and general expenses of approximately 7.30% to approximately RMB1.2 billion, which was mainly attributable to the optimization of the resources allocation and the enhancement of cost management during the year.

*For the year ended 31 December 2023 ("**FY2023**")*

According to the 2023 Annual Report, the revenue of the Group for the FY2023 was approximately RMB15.5 billion, representing a decrease of approximately 38.9% as compared to approximately RMB25.4 billion for the FY2022. Such decrease was mainly due to (i) the decrease in revenue from container manufacturing business from approximately RMB20.5 billion for the year ended 31 December 2022 ("**FY2022**") to approximately RMB10.5 billion for the FY2023, mainly due to the decline in market demand for new containers under the impact of the downturn in the container transportation market. During FY2023, the aggregate container sales was 590,600 TEU, representing a year-on-year decrease of 38.4% as compared with 958,900 TEU for the FY2022; and (ii) the decrease in revenue from container leasing business of approximately 8.8% to approximately RMB5.0 billion for the FY2023, mainly due to the decrease in the sales of the Company's container business as a result of the decline in market demand, partially offset by the slight increase in shipping leasing business of approximately 2.7% to approximately RMB2.5 billion for the FY2023, mainly due to the year-on-year increase in the size of the fleet under operating leases.

Profit for the year attributable to owners of the Company decreased significantly from approximately RMB3.9 billion for the FY2022 to approximately RMB1.4 billion for the FY2023, which was mainly attributable to (i) the decrease in revenue of approximately 38.9% as discussed above; and (ii) the increase in finance costs from approximately RMB2.5 billion for the FY2022 to approximately RMB3.9 billion for the FY2023, mainly due to the increase in interests expenses on debts and borrowings of approximately RMB1.4 billion.

1.3 Financial position on the Group

	As at 30 June	As at 31 December		
	2025	2024	2023	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(unaudited)	*(audited)*	*(audited)*	*(audited)*
Non-current assets	107,937,293	108,238,698	103,309,374	103,256,637
Current assets	22,350,995	18,128,440	22,621,616	24,833,994
Current liabilities	48,732,054	39,371,497	38,211,188	42,019,557
Non-current liabilities	50,558,973	56,389,962	58,436,124	57,178,447
Equity attributable to equity holders of the Company	30,618,276	30,295,774	29,283,678	28,892,627

As at 31 December 2023, total assets of the Group amounted to approximately RMB125.9 billion, representing a decrease of approximately RMB2.2 billion, mainly due to the decrease in current assets of approximately RMB2.2 billion as a result of the decrease in cash and cash equivalents due to net cash flows used in financing activities due to repayment of bank and other borrowings and interest paid. As at 31 December 2023, total liabilities of the Group decreased to approximately RMB96.6 billion from approximately RMB99.2 billion as at 31 December 2022, which was mainly due to the decrease in current liabilities of approximately RMB3.8 billion, due mainly to the decrease in current portion of bank and other borrowings as a result of repayment during FY2023.

As at 31 December 2024, total assets of the Group amounted to approximately 126.3 billion, representing an increase of approximately RMB0.4 billion, mainly due to the increase in non-current assets of approximately RMB4.9 billion, due mainly to the increase in property, plant and equipment of approximately RMB5.5 billion as a result of additions of containers of approximately RMB7.2 billion. As at 31 December 2024, total liabilities of the Group further decreased by approximately RMB0.8 billion to approximately RMB95.8 billion, mainly attributable to the decrease in non-current liabilities as a result of the decrease in non-current portion of bank and other borrowings of approximately RMB6.3 billion.

As at 30 June 2025, total assets of the Group amounted to approximately 130.3 billion, representing an increase of approximately RMB3.9 billion, mainly due to the increase in current assets of approximately RMB4.2 billion, due mainly to the increase in cash and cash equivalents as a result of (i) the net cash flow generated from operating activities of approximately RMB1.3 billion and (ii) the net cash flow generated from financing activities of approximately RMB1.4 billion. As at 30 June 2025, total liabilities of the Group increased by approximately RMB3.5 billion to approximately RMB99.3 billion, mainly attributable to the decrease in current liabilities as a result of the increase in current portions of bank and other borrowings of approximately RMB7.9 billion to approximately RMB40.4 billion.

As a result of the foregoing, the total equity attributable to the equity holders of the Company as at 31 December 2022, 2023 and 2024 amounted to RMB28.9 billion, RMB29.3 billion and RMB30.3 billion, respectively while the total equity attributable to the equity holders of the Company as at 30 June 2025 amounted to approximately RMB31.0 billion.

2. THE 2025 SECOND HEAVY INDUSTRY SHIPBUILDING CONTRACT

2.1 Background Information on the parties to the 2025 Second Heavy Industry Shipbuilding Contract

Information on COSCO SHIPPING Development (Hainan)

COSCO SHIPPING Development (Hainan) 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 Heavy Industry (Dalian)

Heavy Industry (Dalian) is a company established in the PRC with limited liability and is a direct wholly-owned subsidiary of COSCO SHIPPING Heavy Industry and therefore is an indirect wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in the business of ship designing, manufacturing and repair.

2.2 Reasons and benefits of entering the 2025 Second Heavy Industry Shipbuilding Contracts

We have discussed with the management of the Company on the reasons for and benefits of entering into the 2025 Second Heavy Industry Shipbuilding Contracts and considered the followings:

Principal business activities and development strategies of the Group

With a focus on shipping and logistics industry, it is the principal business of the Group to concentrate on the integrated development with container manufacturing, container leasing and shipping leasing business as the core business and underpinned by investment management, continuously accelerate "integrating industry and finance and facilitating industry development with finance for synergy", so as to strive to grow into a world-class industry-finance operator in the shipping industry. As discussed in the 2024 Annual Report, the Group achieved a new breakthrough in the integration of industry and finance, promoted the linkage of "leasing, manufacturing- shipping" in the shipping industry, and invested in the construction and leasing of 42 bulk cargo vessels, achieving a substantial increase in the scale of high-quality ship assets, and contributing long-term stable revenue and cash flow to the Company. Going forward, it is the Group's intention to focus on 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 ship leasing industry in China.

Based on our discussion with the management of the Company, in order to achieve the abovementioned strategy of the Group, we understand that the entering into the 2025 Second Heavy Industry Shipbuilding Contracts can allow the Group to expand the scale of the vessel leasing business. The construction of vessels under the 2025 Second Heavy Industry Shipbuilding Contracts and the subsequent leasing of such vessels by the Group to the COSCO SHIPPING Bulk Group, are part and parcel of the overall operating lease arrangements between the Group and COSCO SHIPPING Bulk Group. It is expected that, upon the delivery of the vessels under the 2025 Second Heavy Industry Shipbuilding Contracts, the leasing of the vessels to COSCO SHIPPING Bulk Group under the 2025 Second 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.

Based on the above, the Directors consider that the entering into of the 2025 Second Heavy Industry Shipbuilding Contracts and the 2025 Second Vessel Leasing Agreement is a core development of the principal business of the Company as well as aligning the development strategies of the Company.

Promoting the green and low-carbon transformation of fleets of the Group

As advised by the management of the Company, we understand that the green and low-carbon transformation process of the shipping industry has been accelerating, thus the demand for updating and upgrading of vessels has increased significantly. According to the 2024 Annual Report, it is the Company's strategy to actively seize opportunities from the green and low-carbon transformation of the shipping industry. As a demonstration in the support of green, low-carbon and intelligent shipping, two 700 TEU Yangtze River electric vessels have been put into operation successively, achieving carbon emission reduction of 1,249 tonnes during the FY2024.

Based on our review on the 2025 Second Heavy Industry Shipbuilding Contracts, we note that the twenty-three (23) vessels thereunder are methanol-ready eco-friendly bulk cargo vessels. The management of the Company is of the view that such type of vessels under the 2025 Second Heavy Industry Shipbuilding Contracts is able to promote the optimization and adjustment of the fleet structure to a green and low-carbon direction by demonstrating its support for global energy conservation, emission reduction and sustainable development strategies, and contributes to the transformation and upgrade of traditional industries.

Implementing the use of RMB in the international shipping field

As advised by the management of the Company, the Group aims to enhance its competitive edge by collaborating with enterprises both upstream and downstream of the shipping industry chain. As advised by the management of the Company, it is their intention to implement RMB transactions in the international shipping market and hence that the terms of the 2025 Second Heavy Industry Shipbuilding Contracts are denominated in RMB and will also be settled in RMB. Through these collaborative efforts with upstream and downstream enterprises along the shipping industry chain, the Group aims to further advancing the implementation of the use of RMB in the international shipping sector and enhancing its market competitiveness.

After taking into consideration of the above, in particular, (i) the entering into of the 2025 Second Heavy Industry Shipbuilding Contracts is a principal business of the Company as well as aligning the development strategies of the Company; (ii) the Company's strategy to grasp the opportunity of green and low-carbon transformation of the fleet and the vessels under the 2025 Second Heavy Industry Shipbuilding Contracts is in line with the strategy by promoting the optimization and adjustment of the fleet structure to a green and low-carbon direction; and (iii) 2025 Second Heavy Industry Shipbuilding Contracts help further advancing the implementation of the use of RMB in the international shipping sector and enhancing its market competitiveness, we therefore concur with the view of the Directors that the entering into of the 2025 Second Heavy Industry Shipbuilding Contracts is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

2.3 Key terms of the 2025 Second Heavy Industry Shipbuilding Contracts

Date: 30 October 2025

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

(2) Heavy Industry (Dalian), as seller.

Subject matter: Pursuant to the 2025 Second Heavy Industry Shipbuilding Contracts, Heavy Industry (Dalian) agrees to build, launch, equip and complete at its shipyard and to sell and deliver to COSCO SHIPPING Development (Hainan), and COSCO SHIPPING Development (Hainan) agrees to purchase and take delivery of twenty-three (23) 87,000 DWT bulk cargo vessels.

These vessels are expected to be delivered between May 2027 and the end of 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 twenty-three (23) 87,000 DWT bulk cargo vessels to be built under each of the 2025 Second Heavy Industry Shipbuilding Contracts shall be approximately RMB7,337,000,000 (exclusive of tax), subject to adjustments in accordance with the terms of the respective contracts as set out below.

The vessels are methanol-ready eco-friendly bulk cargo vessels.

The contract price of the vessels under the 2025 Second Heavy Industry 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.

Adjustment to contract price:

The contract price payable under the 2025 Second Heavy Industry Shipbuilding Contracts is subject to downward adjustments, or COSCO SHIPPING Development (Hainan) shall be entitled to reject the vessel(s) and rescind the respective 2025 Second Heavy Industry 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 Heavy Industry Shipbuilding Contracts; or (ii) the delay in delivery of the relevant vessel(s) exceeds certain agreed time limits under the respective 2025 Second Heavy Industry 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 Heavy Industry 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 Heavy Industry 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.

The maximum amount of liquidated damages for each vessel under the 2025 Second Heavy Industry Shipbuilding Contracts shall be approximately RMB9.1 million.

2.4 Fairness and reasonableness of the contract price under the 2025 Second Heavy Industry Shipbuilding Contracts

As stated in the Letter from the Board, the contract price under the 2025 Second Heavy Industry Shipbuilding Contracts was determined after arm's length negotiation between COSCO SHIPPING Development (Hainan) and Heavy Industry (Dalian) with reference to the market price of the same type of vessel.

In order to assess the fairness and reasonableness of the consideration as stipulated under the 2025 Second Heavy Industry Shipbuilding Contracts, we have discussed with the management of the Company and note that the Company has obtained the quotations from (i) an independent ship builder (the "**Quotation I**"); (ii) another independent ship builder (the "**Quotation II**", and together with the Quotation I, collectively the "**Quotations**")) and (iii) Heavy Industry (Dalian) on the same specifications of 87,000 DWT-class bulk cargo vessels to be constructed under the 2025 Second Heavy Industry Shipbuilding Contracts. In light of the aforesaid, we have obtained and reviewed the Quotations and compared them with the final quotation from Heavy Industry (Dalian). We noted that the final quotation from Heavy Industry (Dalian) is approximately RMB319 million (exclusive of tax) for each vessel, and the quotation is the same as the Quotation I and the Quotation II. Accordingly, the final quotation from Heavy Industry (Dalian) is on normal commercial terms and hence is fair and reasonable so far as the Independent Shareholders are concerned.

Price Adjustment mechanism

Based on our review on the 2025 Second Heavy Industry Shipbuilding Contracts, we note that contract price payable under the 2025 Second Heavy Industry Shipbuilding Contracts is subject to downward adjustments, or COSCO SHIPPING Development (Hainan) shall be entitled to reject the vessel(s) and rescind the respective 2025 Second Heavy Industry 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 Heavy Industry Shipbuilding Contracts; or (ii) the delay in delivery of the relevant vessel(s) exceeds certain agreed time limits under the respective 2025 Second Heavy Industry 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 Heavy Industry 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 Heavy Industry Shipbuilding Contracts.

We have discussed with the management of the Company and understand that before delivery of the vessels, the Company will perform relevant trial tests including but not limited to speed, deadweight tonnage and fuel consumption rate. If (i) the results of the trial tests do not confirm to the requirement as stipulated in the 2025 Second Heavy Industry Shipbuilding Contracts; and (ii) late delivery exceeding certain agreed time limits, there will be downward adjustments in price of relevant vessels. As such, the price adjustment mechanism is included with an intention to protect the Group from overpaying should the specifications of the vessels fall short of the requirements as stipulated in the 2025 Second Heavy Industry Shipbuilding Contracts. As such, we concur with the view of the Directors that the inclusion of

such adjustment mechanism in the 2025 Second Heavy Industry Shipbuilding Contracts is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Payment Structure

In addition, we understand that the contract price under the 2025 Second Heavy Industry Shipbuilding Contracts shall be payable in five instalments, 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. We understand that shipbuilding involves large raw materials and multiple parts costs such as engines. Therefore, we believe that it is reasonable to pay by installments before delivery (rather than paying in full at the time of delivery or after delivery). Further, we have also reviewed the Quotations and the proposed payment structure thereunder and compared with that of the 2025 Second Heavy Industry Shipbuilding Contracts, and note that the proposed payment terms thereunder are the same. In addition, we have obtained and reviewed the shipbuilding contracts entered into between the Group and independent third parties, details of which are disclosed in the announcements of the Company dated 29 July 2025 and 30 October 2025, respectively. We understand that the payment structure as stipulated thereunder are 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, which is similar to that of the 2025 Second Heavy Industry Shipbuilding Contracts. As such, we concur with the view of the Directors that the payment structure in the 2025 Second Heavy Industry Shipbuilding Contracts is an industry norm and hence is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We further understand that COSCO SHIPPING Heavy Industry is one of the leading shipbuilder in China. According to a report published by BRS Group, namely "2025 Annual Review" (https://it4v7.interactiv-doc.fr/html/annual_review_2025_digital_668/), an independent international shipbroking company and maritime data and software provider delivering decision support services, COSCO SHIPPING Heavy Industry is in fourth position, holding 8.8% of the Chinese orderbook and the fifth-largest global shipbuilding group, accounting for 5.9% of the world orderbook in 2024. In addition, we are given to understand from the management of the Company that being as intra-group services providers, COSCO SHIPPING Heavy Industry has been providing shipbuilding services to the Group for years which resulted in better and more efficient communication with the Group as compared with other independent shipbuilders. Leveraging the leading shipbuilding position in China, the stable cooperation relationship with COSCO SHIPPING Heavy Industry facilitates and supports the growth of the core business of the Group over the years which allows COSCO SHIPPING Heavy Industry to be a preferred shipbuilder should the terms offered by COSCO SHIPPING Heavy Industry are on normal commercial terms. In addition, among the Quotations, Heavy Industry (Dalian) is able to deliver more vessels during the delivery period as compared with other shipbuilders which meets the requirements of the Group.

After taking consideration that (i) the pricing under the 2025 Second Heavy Industry Shipbuilding Contracts, being the same among the Quotations; (ii) the price adjustment mechanism and payment structure are industry norm and on normal commercial terms; (iii) COSCO SHIPPING Heavy Industry is also one of the leading shipbuilder in China; (iv) COSCO SHIPPING Heavy Industry is a preferred shipbuilder to the Group given its better and more efficient communication with the Group compared with other independent shipbuilders; and (v) the ability of Heavy Industry (Dalian) to deliver more vessels during the delivery period as compared with other shipbuilders, we therefore concur with the Directors' view that it is fair and reasonable to select Heavy Industry (Dalian) as the shipbuilder under the 2025 Second Heavy Shipbuilding Contracts.

Based on the above, we concur with the view of the Directors that the terms of the 2025 Second Heavy Industry Shipbuilding Contracts are on normal commercial terms or better, and are fair and reasonable so far as the Independent Shareholders are concerned.

3. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

As the term of the Existing Continuing Connected Transactions Agreements will expire on 31 December 2025, in view of the Company's intention to continue to enter into transactions of similar nature from time to time after the relevant expiry date, the parties have agreed to enter into the Non-exempt Continuing Connected Transactions agreements for a term of three years commencing on 1 January 2026 and ending on 31 December 2028.

Agreements in relation to the Non-exempt Continuing Connected Transactions	**Products and/or service providers**	**Products and/or services recipients**	**Key services**
(1) Master Operating Lease Services Agreement	The Group	COSCO SHIPPING Group	Operating lease services including (i) vessels operating lease services; and (ii) operating lease services for containers, car frames and other ancillary equipment and other production equipment.
(2) Master Vessel Services Agreement	COSCO SHIPPING Group	The Group	Vessel and other ancillary services, including vessel construction supervision services, material merchandising services (such as paint, vessel fuel, lubricants, spare parts and steel), supply of crew members, vessel repair and maintenance services, shipping agent services and other ancillary services.

Agreements in relation to the Non-exempt Continuing Connected Transactions	Products and/or service providers	Products and/or services recipients	Key services
(3) Master Containers Services Agreement	The Group	COSCO SHIPPING Group	Container and other ancillary services including sale and purchase of containers and containers commissioned manufacturing services.
(4) Master Containers Services Agreement	COSCO SHIPPING Group	The Group	Container and other ancillary services include sale and purchase of containers, merchandising of materials ancillary to containers, provision of containers depot, containers logistics, containers management, containers maintenance and other ancillary services.

3.1 Reasons for and benefits of the renewal of the Non-exempt Continuing Connected Transactions

According to the Letter from the Board, due to the long established and close business relationship between the members of the Group and the COSCO SHIPPING Group, a number of transactions have been and will continue to be entered into between the Group and the COSCO SHIPPING Group, which are individually significant and collectively essential to the core business of the Group, and will continue to be beneficial to the Group. In addition, the Non-exempt Continuing Connected Transactions are in line with the business strategy of the Company and will facilitate the future development of the Company as a world-class excellent shipping industry-finance operator with COSCO SHIPPING characteristics. In addition, COSCO SHIPPING is a key state-owned enterprise and part of a large shipping conglomerate that operates across different regions, sectors and countries, and the COSCO SHIPPING Group entails well-known marine transportation corporations with outstanding competency in the shipping industry and have developed good experience, familiarity and service systems in respect of the products and services under the Non-exempt Continuing Connected Transaction Agreements.

We are advised by the management of the Company that given the established business relationship between the COSCO SHIPPING Group and the Group and as intra-group services providers, both parties generally have better understanding on the types of products and/or services to be provided. The cooperation with the COSCO SHIPPING Group facilitates and supports the growth of the core business of the Group and enables the Group to fully leverage on their advantages and to achieve better operating performance. In particular, the mutual provision of complementary services between the Group and the COSCO SHIPPING Group under the Master Containers Services Agreement enables the Group to focus on its principal business through the entrustment of various operational support functions such as the delivery and storage of manufactured containers to external service providers, being professional companies owned by the COSCO SHIPPING Group. In addition to the above, by entering into the Master Vessel Services Agreement, the Group

and the COSCO SHIPPING Group will continue to deepen their cooperations, and it is expected that this will reduce the Group's operating costs in procuring vessel and other ancillary services, thereby further enhancing the synergies between both parties.

Furthermore, the transactions in respect of the provision of products and services by the Group under the Master Operating Lease Services Agreement and the Master Containers Services Agreement are revenue in nature to the Group, whereas the transactions in respect of procurement of products and services by the Group under the Master Containers Services Agreement support the principal business of the Group. These agreements provide the Group with the option, but not the obligation, to provide/procure the relevant products and services to/from the COSCO SHIPPING Group. Through such arrangements, the Group will be able to (i) continue to negotiate more favourable terms with the COSCO SHIPPING Group compared with those offered by other external service providers; and (ii) enhance its operational efficiency while reducing operating costs.

After taking into account (i) the principal business of the Group and the COSCO SHIPPING Group; (ii) the established cooperative relationship between the Group and the COSCO SHIPPING Group, where the Group can leverage on the strengths of the COSCO SHIPPING Group to achieve better performance; (iii) the transactions are either revenue in nature or support the principal business of the Group; and (iv) the terms of the transactions are fair and reasonable as discussed below, we are of the view that the Non-exempt Continuing Connected Transactions are in the ordinary and usual course of business of the Group and the entering of the Non-exempt Continuing Connected Transactions Agreements are in the interests of the Company and the Shareholders as a whole.

3.2 Principal terms in respect of the Non-exempt Continuing Connected Transactions

3.2.1 Terms

The Company and COSCO SHIPPING have agreed to continue to enter into the Non-exempt Continuing Connected Transactions under the Master Operating Lease Services Agreement, Master Vessel Services Agreement and the Master Containers Services Agreement for a term of three years commencing on 1 January 2026 and ending on 31 December 2028.

3.2.2 Pricing policies in respect of the Non-exempt Continuing Connected Transactions agreements

Master Operating Lease Services Agreement

Pursuant to the Master Operating Lease Services Agreement, the prices for the provision of operating lease services shall be determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market price (being the price at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). The above market price is generally based on the historical quotations from independent third parties in the past three years. In addition, the pricing of the operating lease services provided by the Group will also take into account the impact of the overall market conditions, and on the basis of market price, a reasonable buffer of approximately 10% to cope with the increase in costs caused by

uncertainties. At the time of entering each implementation agreements for the specific transactions contemplated under the Master Operating Lease Services Agreement, the Group will also examine the pricing terms charged by the Group to all other independent third-party customer(s), if applicable, so as to ensure the price to be charged by the Group to COSCO SHIPPING would be no less favourable than that charged by the Group to independent third-party customers.

In assessing the fairness and reasonableness of terms and pricing policy of the Master Operating Lease Services Agreement, we have obtained and reviewed a list of transactions entered into between the Group and COSCO SHIPPING Group under the Existing Master Operating Lease Services Agreement and understand that vessel leasing services and containers leasing services are the major type of services provided under the Existing Master Operating Lease Services Agreement. In respect of the vessel leasing services, we are given to understand that before entering into of the leasing contract with the Group, COSCO SHIPPING Group will obtain quotations from independent vessel leasing services providers, and we are given to understand that the terms of such quotations are comparable to the terms offered by the Group. In respect of containers leasing, we have obtained and reviewed 3 sample containers leasing contracts entered with the COSCO SHIPPING Group from January 2024 to May 2024 and 2 sets of and comparable container leasing services transactions contracts entered between the Group and the independent third parties in September 2023 and March 2024, respectively. We considered such number of sample contracts are fair and representative as those (a) are entered into during the term of Existing Master Operating Lease Services Agreement and remain valid and (b) represents 2 major types of leasing services as contemplated under Existing Master Operating Lease Services Agreement (i.e. the lease of containers and lease of vessels services). Based on our review, we noted that the prices in the sample contracts entered with the COSCO SHIPPING Group were no less favourable to the Group than the terms entered with independent third parties.

Master Vessel Services Agreement

Pursuant to the Master Vessel Services Agreement, prices for the provision of vessel and other ancillary services by the COSCO SHIPPING Group to the Group under the Master Vessel Services Agreement are determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market price (being the price at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). The above market price is generally based on the historical quotations from independent third parties in the past three years. In accordance with the relevant internal rules and administrative measures of the Company, it will also obtain such market price through price inquiry or competitive negotiation provided or participated by at least two independent third party suppliers, or a bidding and tendering process before the commencement of certain projects in the event that the type or amount of services to be procured meets the bidding standards specified in the Tendering and Procurement Management Rules of the Group, which shall also be conducted in accordance with the Regulations for the Implementation of the National Tendering and Bidding Law (《國家招

標投標法實施條例》) of the PRC. When selecting the successful bidder(s) in the latter case, the Company and/or the relevant member(s) of the Group will conduct a qualification review of potential bidders based on factors such as company profile, business reputation and experience, supply and service assurance capability, quality assurance capability, after-sales service initiatives and compliance performance, the evaluation of which will follow the criteria and methodology specified in the tender documents, being carried out objectively and impartially using the lowest price evaluated, comprehensive scoring method or other bid evaluation methods permitted by applicable laws and regulations.

In assessing the fairness and reasonableness of terms and pricing policy of the Master Vessel Services Agreement, we have obtained and reviewed a list of transactions entered into between the Group and COSCO SHIPPING Group under the Existing Master Vessel Services Agreement and we randomly selected from the aforesaid list and reviewed (i) 2 sample contracts entered into with the COSCO SHIPPING Group in August 2023 and September 2025, respectively under the Existing Master Vessel Services Agreement (which we considered such number of sample contracts are fair and representative as those (i) are entered into during the term of Existing Master Operating Lease Services Agreement and remain valid and (ii) covered major types of vessels services as contemplated under Existing Master Vessel Services Agreement (i.e. vessel construction supervision services and vessel management services) and (ii) 2 sets of comparable leasing services quotations obtained from independent third parties in August 2023 and September 2025. We noted that the prices in the sample contracts entered into with the COSCO SHIPPING Group were no less favourable to the Group than the prices stated in the contracts with independent third parties.

Master Containers Services Agreement

In respect of the products and services to be provided by the Group under the Master Containers Services Agreement, the prices for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Master Containers Services Agreement are determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market price (being the price at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). As there is no long term agreed price in the new container trading market, the market price for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Master Containers Services Agreement shall be subject to continuous real-time adjustment mainly based on the current market condition revealed by research reports from Drewry, an independent maritime research consultancy, and take into account factors such as market order transaction prices, raw material costs and inventory levels, and with reference to the historical quotations from independent third parties. In addition, the pricing of the containers services provided by the Group will also take into account the impact of the overall market conditions, and on the basis of market price, a reasonable buffer of approximately 10% to cope with the increase in costs caused by uncertainties. At the time of entering each implementation agreements for the specific

transactions contemplated under the Master Containers Services Agreement for products and services to be provided by the Group, the Group will also examine the pricing terms charged by the Group to all other independent third-party customer(s), if applicable, so as to ensure the price to be charged by the Group to COSCO SHIPPING would be no less favourable than that charged by the Group to independent third-party customers.

We have obtained and reviewed a list of transactions entered into between the Group and COSCO SHIPPING Group under the Existing Master Containers Services Agreement, and we (i), from the aforesaid list, randomly selected and reviewed 2 sample contracts entered into with the COSCO SHIPPING Group in relation to the sale of two types of containers in May 2025 and June 2025, respectively (which we considered such number of sample contracts are fair and representative as those (a) represents the latest pricing terms and (b) covered different types of containers) and (ii) obtained 2 sample contracts entered into with an independent third parties in May 2025 and September 2025 in relation to the sales of containers in comparable specifications. We noted that the prices in the sample contracts entered into with the COSCO SHIPPING Group were no less favourable to the Group than the prices stated in the documents with independent third parties.

In respect of the procurement of products and services by the Group under the Master Containers Services Agreement, prices for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group under the Master Containers Services Agreement are determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market price (being the price at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). The above market price is generally based on the historical quotations from independent third parties in the past three years. In accordance with the relevant internal rules and administrative measures of the Company, it will also obtain such market price through price inquiry or competitive negotiation provided or participated by at least two independent third party suppliers, or a bidding and tendering process before the commencement of certain projects in the event that the type or amount of services to be procured meets the bidding standards specified in the Tendering and Procurement Management Rules of the Group, which shall also be conducted in accordance with the Regulations for the Implementation of the National Tendering and Bidding Law (《國家招標投標法實施條例》) of the PRC. When selecting the successful bidder(s) in the latter case, the Company and/or the relevant member(s) of the Group will conduct a qualification review of potential bidders based on factors such as company profile, business reputation and experience, supply and service assurance capability, quality assurance capability, after-sales service initiatives and compliance performance, the evaluation of which will follow the criteria and methodology specified in the tender documents, being carried out objectively and impartially using the lowest price evaluated, comprehensive scoring method or other bid evaluation methods permitted by applicable laws and regulations.

We have obtained and reviewed a list of transactions entered into between the Group and COSCO SHIPPING Group under the Existing Master Containers Services Agreement, and we noted that the majority of the transactions (in terms of transaction amount) are (i) merchandising of materials ancillary to containers and (ii) containers logistics. In light of the aforesaid, we randomly selected and reviewed 2 sets of sample contracts entered into with the COSCO SHIPPING Group in January 2025 and October 2025, respectively (which we considered such sample contracts are fair and representative as those (a) are entered into during the term of Existing Master Operating Lease Services Agreement and remain valid and (b) covered the major types of products/services under the Existing Master Containers Services Agreement, being materials ancillary to containers and containers logistics). We have also obtained and reviewed the 2 set of transaction documents for covering the merchandising of materials ancillary to containers and the purchase of containers logistics with independent third parties in January 2025 and October 2025, respectively. We noted that the prices in the sample contracts entered into with the COSCO SHIPPING Group were no less favourable to the Group than the prices stated in the documents with independent third parties.

In addition to the aforementioned independent workdone, we have reviewed and as disclosed in the 2023 Annual Report and the 2024 Annual Report, (i) the independent non-executive Directors have reviewed the continuing connected transactions and confirmed these transactions have been entered into (1) in the ordinary and usual course of business of the Company; (2) on normal commercial terms or, it there are not sufficient comparable transactions to judge whether the above continuing connected transactions are on normal commercial terms, on terms no less favourable to the Company than terms available to independent third parties; and (3) in accordance with the relevant agreement of the above continuing connected transactions governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (ii) the independent auditor of the Company has confirmed to the Company regarding the continuing connected transactions disclosed above that nothing has come to the auditors' attention that causes them to believe that (1) the continuing connected transactions have not been approved by the Board; (2) the transactions were not conducted, in all material aspects, in accordance with the pricing policies of the Company; (3) the transactions were not conducted, in all material aspects, in accordance with the relevant agreements governing such transactions; and (4) the continuing connected transactions have exceeded the relevant maximum aggregate annual cap amount in respect of each of the continuing connected transactions.

Furthermore, we have also reviewed the internal control procedures of the Group in conducting connected transactions to ensure that the terms offered by the relevant connected parties are no less favourable than those available to or from independent third parties (as the case may be) and the continuing connected transactions of the Group are conducted in accordance with the pricing policy under the respective continuing connected transaction framework agreements. We note that (i) the Company has prepared and implemented the Methods for Management of Connected Transactions (關連交易管理辦法); (ii) the wholly-owned subsidiaries of the Company responsible for the relevant business fields will review contemporaneous prices and other relevant terms offered by at least two independent third parties before entering into any implementation agreements; (iii) Company will quarterly examine the pricing of the transactions after entering into the implementation agreements; (iv) the Company will annually convene meetings to discuss any issues in the transactions; (v) the Company will quarterly summarise the transaction amounts incurred under the respective continuing connected transaction framework agreements and submit periodic reports; (vi) the Company will then take all appropriate steps in advance to revise the relevant annual caps in accordance with the relevant requirements of the Hong Kong Listing Rules if it is anticipated that the existing annual caps may be exceeded; and (vii) the supervision department of the Company will periodically review and inspect the progress of the Relevant Continuing Connected Transactions on a half-year basis.

Based on the aforesaid, in particular (i) we have reviewed the 2023 Annual Report and the 2024 Annual Report and note that the Non-exempt Continuing Connected Transactions conducted in 2023 and 2024 are on normal commercial terms; (ii) our review of sample contracts conducted which we consider are fair and representative as discussed above; and (iii) the implementation of sufficient internal control measures as discussed above, we therefore are of the view that the terms of the Non-exempt Continuing Connected Transactions are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

3.2.3 Historical transaction amounts and the Proposed Annual Caps for the Non-exempt Continuing Connected Transactions

The following table sets out the historical transaction amounts of the Non-exempt Continuing Connected Transactions for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025 as well as the Proposed Annual Caps for each of the three years ending 31 December 2026, 2027 and 2028:

Non-exempt Continuing Connected Transactions	**Historical transaction amounts for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025**			**Proposed Annual Caps for the three years ending 31 December 2028**		
	2023	**2024**	**30 June 2025**	**2026**	**2027**	**2028**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
(1) Services provided by the Group under the Master Operating Lease Services Agreement	2,274,738.6	2,432,324.0	1,272,003.8	4,500,000	6,000,000	9,000,000
(2) Services provided to the Group under the Master Vessel Services Agreement	359,541.6	331,244.3	163,838.8	600,000	1,000,000	2,000,000
(3) Services provided by the Group under the Master Containers Services Agreement	144,842.5	3,247,150.2	1,204,921.1	12,800,000	13,000,000	13,500,000
(4) Services provided to the Group under the Master Containers Services Agreement	374,904.8	1,295,963.9	539,894.2	2,100,000	2,200,000	2,300,000

3.2.4 Proposed Annual Caps for the Master Operating Lease Services Agreement in respect of services to be provided by the Group

The Proposed Annual Caps for the provision of lease services by the Group to the COSCO SHIPPING Group under the Master Operating Lease Services Agreement for the three years ending 31 December 2026, 2027 and 2028 are RMB4.5 billion, RMB6.0 billion and RMB9.0 billion, respectively.

As stated in the Letter from the Board, in arriving at the Proposed Annual Caps for the provision of lease services by the Group to the COSCO SHIPPING Group under the Master Operating Lease Services Agreement, the Directors have considered (i) the historical transaction amounts for the provision of lease services by the Group to the COSCO SHIPPING Group pursuant to the Existing Master Operating Lease Services Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025 which had not fully utilised the previous annual caps primarily due to fluctuations in the shipping market, which resulted in lower demand and prices for container leasing, as well as reduced demand for vessel leasing compared to the estimated values made when the above historical caps were determined; (ii) the type and number of vessels, containers, car frames and other ancillary equipment and other production equipment expected to be chartered, the respective chartering rate and the period expected to be chartered; (iii) the estimated market fluctuation in terms of chartering price, demands and exchange rate for US$ to RMB; (iv) the estimated future needs for operating lease services of the COSCO SHIPPING Group in light of the expected growth in its transportation capacity; (v) the expected increase in service fees due to increase in costs; and (vi) the prevailing market rate of charter of vessel, containers, car frames and other ancillary equipment and other production equipment of similar classes.

In assessing the fairness and reasonableness of the aforesaid bases and assumptions adopted by the Board in arriving the Proposed Annual Caps for the lease services provided by the Group under the Master Operating Lease Services Agreement, we have (i) obtained from the management of the Company and reviewed the computations in arriving the Proposed Annual Caps; and (ii) discussed with the management of the Company regarding the bases and assumptions in arriving the Proposed Annual Caps for the provision of lease services.

Based on our review on the aforesaid computations, we note that containers leasing and vessels leasing comprise a vast majority of the Proposed Annual Caps under the Master Operating Lease Services Agreement. Based on our discussion with the management of the Company, we understand that the estimated transaction amounts for the leasing of vessels and containers are determined based on (i) the estimated number of vessels and containers to be leased by COSCO SHIPPING Group for each of the three years ending 31 December 2028; and (ii) the estimated fee rates.

In respect of the estimated number of vessels to be leased by the COSCO SHIPPING Group for the three years ending 31 December 2028, we understand from the management of the Company that it is determined based on (i) the existing lease orders on hand from the Group and it is expected that such existing orders continues to sustain for the three years ending 31 December 2028; (ii) the new vessels leasing business along with the expansion of business of the COSCO SHIPPING Group where the Group intends to lease different types of new vessels to COSCO SHIPPING Group for the three years ending 31 December 2028. In particular, the Group has already entered into a number of long-term operating leasing agreements with COSCO SHIPPING Group in respect of certain vessels including, amongst others, (a) forty-two (42) bulk cargo vessels ranging from 64,000 to 82,500 DWT to be built under the shipbuilding contracts entered into by the Group on 30 August 2024, which are expected to be delivered not later than 31 December 2027 and each subsequently leased for 180 months ± 90 days, with an expected highest aggregated annual rent of

approximately RMB1,900 million, (b) ten (10) bulk cargo vessels ranging from 210,000 to 211,000 DWT to be built under the shipbuilding contracts entered into by the Group on 29 July 2025, which are expected to be delivered not later than 31 December 2028 and each subsequently leased for 240 months ± 90 days, with an expected highest aggregated annual rent of approximately RMB638 million, and (c) twenty-three (23) 87,000 DWT bulk cargo vessels and six (6) 307,000 DWT very large crude oil carriers to be built under the shipbuilding contracts entered into by the Group on or around 30 October 2025, which are expected to be delivered not later than the end of 2028 and each subsequently leased for 240 months ± 180 days and ± 90 days, with an expected highest aggregated annual rent of approximately RMB550 million and RMB427 million, respectively, all of which will be made subject to and governed by the Master Operating Lease Services Agreement and the Proposed Annual Caps thereunder. These additional vessels could account for approximately 42.4% of the existing fleet (including orderbook) of the Group as at the Latest Practicable Date. For further details of such operating leases, please refer to the announcements of the Company dated 30 August 2024, 29 July 2025 and 30 October 2025, respectively. Regarding the fee rates of the leasing of vessels, we note that it is determined based on (i) the terms of the existing lease vessels transactions entered and (ii) the expected lease rate on the new vessels leasing business.

In respect of the number of containers to be leased by the COSCO SHIPPING Group for the three years ending 31 December 2028, we understand from the management of the Company that it is determined with reference to (i) existing lease orders on hand from the COSCO SHIPPING Group for the year ending 31 December 2025 and (ii) the expected growth in demand on containers for the three years ending 31 December 2028. The expected growth in demand on containers for the three years ending 31 December 2028 is in line with the expected growth in the transportation capacity of the COSCO SHIPPING Group. According to the circular of COSCO SHIPPING Holdings Co., Ltd. (stock code: 1919.HK), which mainly engages in container shipping for both international and domestic customers and indirectly controlled by COSCO SHIPPING, dated 13 October 2025, it is expected that 36 vessels, representing 656,000 TEUs, shall be delivered during the period from 2026 to 2028, indicating its additional demand for lease of containers for the three years ending 31 December 2028. Regarding the fee rates of the leasing of containers, we note that it is determined based on (i) the terms of the existing lease of containers transactions entered and (ii) the expected lease rate on the new containers leasing business.

We also understand that in arriving the Proposed Annual Caps for the Master Operating Lease Services Agreement, the Directors have also taken into consideration the anticipated fluctuations in the exchange rate of RMB against USD. In light of this, we have searched for the exchange rates of US Dollar to RMB from 3 January 2023 to 30 October 2025, being a period from January 2023 and including the date of the announcement (the "**Review Period**"), as quoted from the website of State Administration of Foreign Exchange of the PRC and noted that the highest exchange rate of US Dollar to RMB during the Review Period represented a premium of approximately 7.6% over the lowest exchange rate of US Dollar to RMB during the Review Period.

Based on the above, despite the relatively low utilisation rate of the original annual caps set for the Existing Master Operating Lease Services Agreement, the Proposed Annual Caps for the Master Operating Lease Services Agreement adopt a relatively lower starting point with incremental year-by-year adjustments based on the estimated demand of vessel and container leasing services over the next three years, we are of the view that the bases and assumptions so adopted in arriving the Proposed Annual Caps for the Master Operating Lease Services Agreement in respect of services to be provided by the Group are fair and reasonable so far as the Independent Shareholders are concerned.

3.2.5 Proposed Annual Caps for the Master Vessel Services Agreement in respect of services to be provided to the Group

The Proposed Annual Caps for the provision of vessel and other ancillary services to the Group by the COSCO SHIPPING Group under the Master Vessel Services Agreement for the three years ending 31 December 2026, 2027 and 2028 are RMB600 million, RMB1.0 billion and RMB2.0 billion, respectively.

As stated in the Letter from the Board, in arriving at the Proposed Annual Caps for the provision of vessel and other ancillary services to the Group by the COSCO SHIPPING Group under the Master Vessel Services Agreement, the Directors have considered (i) the historical transaction amounts for the provision of vessel and other ancillary services by the COSCO SHIPPING Group to the Group under the Existing Master Vessel Services Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025, which had not fully utilised the previous annual caps primarily due to fluctuations in the shipping market, which resulted in aforementioned reduced vessel leasing requirements and related cost expenditures for the vessel and other ancillary services compared to the estimated values made when the above historical caps were determined; (ii) according to the existing respective inspection and maintenance cycles of the vessels, the demand by the Group in materials, crew members, vessel repair and maintenance services, shipping agent services and other ancillary services is expected to continue to increase led by an anticipated surge in demand due to the Group's purchase of vessels and the associated leasing services; (iii) the estimated fluctuation in the exchange rate for US$ to RMB; (iv) the prevailing market rate for the merchandising services, supply of crew members, vessel repair and maintenance services and shipping agent services; and (v) the vessel management and construction supervision expenses arising from the Group's new expansion of vessel charter business.

In assessing the fairness and reasonableness of the aforesaid bases and assumptions adopted by the Board in arriving the Proposed Annual Caps for the vessel and other ancillary services under the Master Vessel Services Agreement, we have (i) obtained from the management of the Company and reviewed the computations in arriving the Proposed Annual Caps; and (ii) discussed with the management of the Company regarding the bases and assumptions in arriving the Proposed Annual Caps for the receipt of vessel and other ancillary services by the Group.

Based on our review on the aforesaid computations, we note that the Proposed Annual Caps for the provision of vessel and other ancillary services comprised mainly vessel management and construction supervision expenses. We noted that the

Proposed Annual Caps for the provision of vessel and other ancillary services for the year ending 31 December 2026 is estimated based on the (i) existing lease orders on hand from the Group and it is expected that such existing orders continues to sustain for the three years ending 31 December 2028; (ii) the new vessels leasing business along with the expansion of business of the COSCO SHIPPING Group for the year ending 31 December 2026. We also note from the computations that there is a substantial increase in the Proposed Annual Caps for the two years ending 31 December 2028. Based on our discussion with the management of the Company, we understand that the significant increase is mainly due to the increase in vessel management and construction supervision expenses as a result of the increase in the size of the fleet of the Group. In light of this, we have reviewed the announcements of the Group dated (i) 1 September 2024; (ii) 29 July 2025; (iii) 30 October 2025, we noted that the Group has entered several shipbuilding contracts for 81 ships and such ships are expected to be delivered in 2027 and 2028. As such, the demand for construction supervision services are expected to increase for the two years ending 31 December 2028. In addition, upon the delivery of the newly constructed ships, the demand for vessel management services will also increase accordingly.

We also understand that in arriving the Proposed Annual Caps for the Master Vessel Services Agreement, the Directors have also taken into consideration the anticipated fluctuations in the exchange rate of RMB against USD. In light of this, we have searched for the exchange rates of US Dollar to RMB during the Review Period, as quoted from the website of State Administration of Foreign Exchange of the PRC and noted that the highest exchange rate of US Dollar to RMB during the Review Period represented a premium of approximately 7.6% over the lowest exchange rate of US Dollar to RMB during the Review Period.

Based on the above, despite the relatively low utilisation rate of the original annual caps set for the Existing Master Vessel Services Agreement, the Proposed Annual Caps for the Master Vessel Services Agreement adopt a relatively lower starting point with incremental year-by-year adjustments based on the demand of construction supervision services and vessel management services over the next three years in light of the fleet expansion plan of the Group as mentioned above, we are of the view that the bases and assumptions so adopted in arriving the Proposed Annual Caps for the Master Vessel Services Agreement in respect of services to be provided by the Group are fair and reasonable so far as the Independent Shareholders are concerned.

3.2.6 Proposed Annual Caps for the Master Containers Services Agreement in respect of services to be provided by the Group

The Proposed Annual Caps for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Master Containers Services Agreement for the three years ending 31 December 2028 are RMB12.8 billion, RMB13.0 billion and RMB13.5 billion, respectively.

As stated in the Letter from the Board, in arriving the Proposed Annual Caps for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Master Containers Services Agreement, the Directors have considered (i) the historical transaction amounts for the provision of containers and other ancillary services by the Group to the COSCO SHIPPING Group under the

Existing Master Containers Services Procurement Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025 which had not fully utilised the previous annual caps primarily due to fluctuations in the shipping market, which led to a decrease in container demand and new container prices compared to the estimated values made when the above historical caps were determined; (ii) the existing scale of operation of the COSCO SHIPPING Group; (iii) the expected increase in the demand of the COSCO SHIPPING Group for the containers manufactured by the Group and other ancillary services in light of the expected growth in the transportation capacity of the COSCO SHIPPING Group, including but not limited to the increase in the forecasted demand by a COSCO SHIPPING Group company, which mainly engages in container shipping for both international and domestic customers, for delivery of 36 vessels that represents 656,000 TEUs during the period from 2026 to 2028; (iv) the estimated market fluctuation in terms of container price, demands and exchange rate for US$ to RMB; and (v) the prevailing market rate for the sale and purchase and commissioned manufacturing of containers and the estimated market price of new containers for the three years ending 31 December 2028.

In assessing the fairness and reasonableness of the aforesaid bases and assumptions adopted by the Board in arriving the Proposed Annual Caps for the provision of container and other ancillary services by the Group under the Master Containers Services Agreement, we have (i) obtained from the management of the Company and reviewed the computations in arriving the Proposed Annual Caps; and (ii) discussed with the management of the Company regarding the bases and assumptions in arriving the Proposed Annual Caps for the provision of container and other ancillary services by the Group.

Based on our review on the aforesaid computations, we note that sales of containers comprise a vast majority of the Proposed Annual Caps under the Master Containers Services Agreement. Based on our discussion with the management of the Company, we understand that the estimated transaction amounts for the sales of containers are determined based on (i) the estimated number of containers to be sold by the Group for each of the three years ending 31 December 2028; and (ii) the estimated market price of new containers.

In respect of the number of containers to be sold by the Group for the three years ending 31 December 2028, we understand from the management of the Company that it is determined with reference to the transportation capacity of COSCO SHIPPING Group over the next three years. As mentioned in the paragraph headed "3.2.4 Proposed Annual Caps for the Master Operating Lease Services Agreement in respect of services to be provided by the Group" above, it is expected that 36 vessels, representing 656,000 TEUs, shall be delivered during the period from 2026 to 2028, to COSCO SHIPPING Holdings Co., Ltd. (stock code: 1919.HK), which mainly engages in container shipping for both international and domestic customers and indirectly controlled by COSCO SHIPPING. As such, upon the delivery of the vessels, it is expected that there will be a continuous demand on new containers from COSCO SHIPPING Group in the next three years. In respect of the estimated market price of new containers, we are given to understand that it is estimated based on (i) the average historical transacted prices of sales of containers in 2024; (ii) expected growth of the fee rates in light of the continuous demand of containers as a result of the expected increase in transportation capacities of the COSCO SHIPPING Group in the coming years.

We also understand that in arriving the Proposed Annual Caps for the Master Containers Services Agreement, the Directors have also taken into consideration the anticipated fluctuations in the exchange rate of RMB against USD. In light of this, we have searched for the exchange rates of US Dollar to RMB during the Review Period, as quoted from the website of State Administration of Foreign Exchange of the PRC and noted that the highest exchange rate of US Dollar to RMB during the Review Period represented a premium of approximately 7.6% over the lowest exchange rate of US Dollar to RMB during the Review Period.

Based on the above, despite the relatively low utilisation rate of the original annual caps set for the provision of container and other ancillary services by the Group to the COSCO SHIPPING Group under the Existing Master Containers Services Procurement Agreement, there is an increase in the Proposed Annual Caps for the Master Containers Services Agreement based on the demand on containers by COSCO SHIPPING Group over the next three years as discussed above, we are of the view that the bases and assumptions so adopted in arriving the Proposed Annual Caps for the Master Containers Services Agreement in respect of services to be provided by the Group are fair and reasonable so far as the Independent Shareholders are concerned.

3.2.7 Proposed Annual Caps for the Master Containers Services Agreement in respect of services to be provided to the Group

The Proposed Annual Caps for the provision of the container and other ancillary services by the COSCO SHIPPING Group to the Group under the Master Containers Services Agreement for the three years ending 31 December 2023, 2024 and 2025 are RMB2.1 billion, RMB2.2 billion and RMB2.3 billion, respectively.

According to the Letter from the Board, in arriving at the Proposed Annual Caps for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group under the Master Containers Services Agreement, the Directors have considered: (i) the historical transaction amounts for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group under the Existing Master Containers Services Procurement Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025 which had not fully utilised the annual cap for the year ended 31 December 2023 primarily due to fluctuations in the shipping market; (ii) the estimated market fluctuation in terms of container price, ancillary materials price, demands and exchange rate for US$ to RMB, as well as the anticipated increase in demand for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group driven by the expansion of scale of the Group's container manufacturing business; and (iii) the prevailing market rates of containers, materials ancillary to containers, containers depot, containers logistics, containers management and containers maintenance.

In assessing the fairness and reasonableness of the aforesaid bases and assumptions adopted by the Board in arriving the Proposed Annual Caps for the container and other ancillary services to be provided by the COSCO SHIPPING Group to the Group under the Master Container Services Agreement, we have (i) discussed with the management of the Company regarding the bases and assumptions; and (ii) obtained and reviewed the computations prepared by the management of the

Company in arriving the Proposed Annual Caps for the container and other ancillary services to be provided to the Group.

Based on our review and our discussion with the management of the Company, we note that the historical transaction amount of the containers services provided to the Group for the year ended 31 December 2024 amounted approximately RMB1.3 billion during the current terms of the Existing Master Containers Services Procurement Agreement, closes to the relevant annual cap for the year ended 31 December 2024. The Directors consider that the historical amount is an appropriate reference in determining the proposed annual cap of RMB2.1 billion for the year ending 31 December 2026 with the assumption that the transaction volume would reach the similar historical level.

We understand from the computations that the vast majority (over 80%) of the Proposed Annual Caps for the container and other ancillary services to be provided by the COSCO SHIPPING Group to the Group under the Master Container Services Agreement are (i) purchase of materials ancillary to containers and (ii) containers logistics. We note that the proposed transactions amounts regarding the purchase of materials ancillary to containers are determined based on (a) the actual historical percentage of purchases of materials ancillary to containers from COSCO SHIPPING Group and (b) the estimated production of containers in the coming three years. On the other hand, we also note that the proposed transactions amounts regarding the containers logistics services are determined based on (a) actual transacted price as specified in the contracts entered into between the Group and the COSCO SHIPPING Group and (b) the estimated demand of containers in the coming three years.

After taking into consideration above and (i) our workdone as discussed in above paragraph headed "*3.2.2 Pricing policies in respect of the Non-exempt Continuing Connected Transactions agreements*" and (ii) the transactions are on normal commercial terms as confirmed by the independent non-executive Directors in the 2024 Annual Report, we concur with the view of the Directors that historical amount is an appropriate reference and fair and reasonable in determining the Proposed Annual Caps.

We note from the computations that the Proposed Annual Caps increase for the three years ending 31 December 2025 and based on our discussion with the management of the Company, we understand that the demand of products and services from the COSCO SHIPPING Group contemplated under the Master Containers Services Agreement is expected to increase along with the expected increase in demand of containers as a result of the increase in transportation capacities of the COSCO SHIPPING Group in the coming three years with reasons as discussed above in the paragraph headed "3.2.6 Proposed Annual Caps for the Master Containers Services Agreement in respect of services to be provided by the Group". In particular, according to the 2024 Annual Report, the Group experienced robust growth in container sales of 204.08% year-on-year growth and its container fleet successfully exceeding 4 million TEU in 2024. According to the 2025 Interim Report, container sales recorded a year-on-year increase of 13.61% for the six months ended 30 June 2025.

We also understand that in arriving the Proposed Annual Caps for the Master Containers Services Agreement, the Directors have also taken into consideration the anticipated fluctuations in the exchange rate of RMB against USD. In light of this, we have searched for the exchange rates of US Dollar to RMB during the Review Period, as quoted from the website of State Administration of Foreign Exchange of the PRC and noted that the highest exchange rate of US Dollar to RMB during the Review Period represented a premium of approximately 7.6% over the lowest exchange rate of US Dollar to RMB during the Review Period.

Based on the above, while the utilisation rate of the original annual caps set for the provision of container and other ancillary services by the COSCO SHIPPING Group to the Group under the Existing Master Containers Services Procurement Agreement was considered at appropriate level, there is an increase in the Proposed Annual Caps for the Master Containers Services Agreement based on the demand on containers services by the Group over the next three years as discussed above, we are of the view that the bases and assumptions so adopted in arriving the Proposed Annual Caps for the Master Containers Services Agreement in respect of services to be provided to the Group are fair and reasonable so far as the Independent Shareholders are concerned.

4. MAJOR AND CONTINUING CONNECTED TRANSACTION – THE DEPOSIT SERVICES UNDER THE FINANCIAL SERVICES AGREEMENT

On 30 October 2025, the Company and COSCO SHIPPING Finance entered into the Financial Services Agreement, pursuant to which COSCO SHIPPING Finance has agreed to provide to the Group, and the Group agreed to purchase from COSCO SHIPPING Finance the financial services. The following table sets out the details of the Financial Services Agreement.

Agreement	Service provider	Products and/or services recipient	Key services
Financial Services Agreement	COSCO SHIPPING Finance	The Company	Financial services include: (i) deposit services; (ii) loan services; (iii) settlement services; (iv) foreign exchange services; and (v) other businesses that COSCO SHIPPING Finance is permitted to conduct upon approval by NAFR or its delegated authorities

4.1 Reasons for and benefits of the Major and Continuing Connected Transaction

According to the Letter from the Board, it is common for large corporate groups in the PRC to set up and maintain a finance company to provide financial services to the group members as this improves centralised management and utilisation efficiency of group funds, and assists the group members in reducing financing costs and investment risks. COSCO SHIPPING Finance is an indirect non-wholly owned subsidiary of COSCO SHIPPING and may provide financial services to the COSCO SHIPPING Group and the Group. The Board believes that as an intra-group service provider, COSCO SHIPPING Finance generally has better and more efficient communication with the Group compared with the independent banks and financial institutions, and the receipt of deposits services from COSCO SHIPPING Finance for the three years ending 31 December 2028 would ensure flexibility to manage its working capital should the terms offered by the COSCO SHIPPING Finance be better than that of the independent banks or financial institutions.

In order to understand the financial position of COSCO SHIPPING Finance, we have reviewed its financial information for the year ended 31 December 2024 and the six months ended 30 June 2025. We noted that COSCO SHIPPING Finance recorded net assets of approximately RMB24.7 billion and RMB24.5 billion as at 31 December 2024 and 30 June 2025, respectively. We have also reviewed the annual risk management assessment report for the year ended 31 December 2024 (the "**2024 Assessment Report**") prepared by COSCO SHIPPING Finance which, among others, summarised the current financial positions of COSCO SHIPPING Finance. We note from the 2024 Assessment Report that as at 31 December 2024, various financial ratios of COSCO SHIPPING Finance were in compliance with the regulations as set out in the Interim Measures for the Assessment of Risk Supervision Indicators of Finance Company of Enterprise Group" (《企業集團財務公司風險監管指標考核暫行辦法》) issued by NAFR. Based on the current financial position of COSCO SHIPPING Finance, we concur with Directors' view that the Group would not be exposed to high credit risks for the receipt of financial services from COSCO SHIPPING Finance. In addition, we have enquired with the management of the Company and understand that COSCO SHIPPING Finance has no track record on historical defaults in the previous deposit transactions. Further, we have reviewed the capital risk control measures adopted by the Group in respect of the deposits under the Financial Services Agreement so that the Group can conduct assessment on the operating qualifications, business and risks of COSCO SHIPPING Finance, so as to control and respond to possible capital risks of COSCO SHIPPING Finance in a timely manner. As such, we concur with the Directors' views that COSCO SHIPPING Finance has the financial capability in providing the deposit services under the Financial Services Agreement, and the credit risk involved in the underlying transactions is low.

Having taking into consideration that (i) COSCO SHIPPING Finance has been providing financial services to the Group for years and generally have better and more efficient communication with the Group as compared with other independent banks and financial institutions; (ii) the Group have the flexibility and is not obliged to use COSCO SHIPPING Finance's services; (iii) the Group would not be exposed to high credit risks for the receipt of financial services from COSCO SHIPPING Finance, as COSCO SHIPPING Finance is approved by NAFR and has sound financial ability given that (a) various financial ratios of COSCO SHIPPING Finance were in compliance with the regulations based on our review on the 2024 Assessment Report; and (b) COSCO SHIPPING Finance has no track record on historical defaults in the previous deposit transactions; and (iv) the Group has adopted capital risk control measures to conduct assessment on the operating qualifications,

business and risks of COSCO SHIPPING Finance, we therefore concur with the Directors' view that the entering into of the Financial Services Agreement is in the ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole.

4.2 Principal terms and internal control measures in respect of the Major and Continuing Connected Transaction

4.2.1 Terms

The initial term of the Financial Services Agreement shall be three years from 1 January 2026 to 31 December 2028.

4.2.2 Pricing policy in respect of the deposit services under the Financial Services Agreement

In respect of the deposit services provided by COSCO Finance to the Group under the Financial Services Agreement, as stated in the Letter from the Board, COSCO SHIPPING Finance shall, in compliance with the interest rates policy requirements of the PBOC, provide deposit services to the Group at interest rates not lower than the rates offered by the major and independent third-party commercial banks in the service location or adjacent areas on normal commercial terms for such types of deposits.

In order to assess the fairness and reasonableness of the terms of the Financial Services Agreement, we have obtained and compared the interest rates offered by COSCO SHIPPING Finance in 2024 with the interest rates offered by independent commercial banks in the PRC for similar type of deposits (i.e. 7 day notice deposits) (the "**Interest Rate Comparison**"). After taking into consideration that (i) the independent commercial banks are the most representative banks in the PRC; (ii) the interest rates offered by independent commercial banks are quoted on their respective websites for public referencing, we consider that such comparables are fair and representative. We noted that the interest rates offered by COSCO SHIPPING Finance were no less favourable than those offered by independent commercial banks in the PRC for similar types of deposits.

Further, we have reviewed the 2023 Annual Report and 2024 Annual Report and noted that both the auditor of the Company and the independent non-executive Directors confirmed that, among others, the terms of the deposit services under the Existing Master Financial Services Framework Agreement were conducted on normal commercial terms and in accordance with the relevant pricing policies. In addition, we have reviewed the (i) relevant internal control measures and (ii) guarantee letter issued by COSCO SHIPPING to the Company, in respect of the Financial Services Agreement regarding several guarantees, and the details of which are set out in the Letter from the Board.

Based on the aforesaid and our review on the Interest Rate Comparison as mentioned above, we consider that the Company has followed the internal control measures before placing deposits with COSCO SHIPPING Finance and hence, we concur with the Directors' view that, with the aforementioned internal control measures being taken place, and with the guarantee letter issued by COSCO SHIPPING as mentioned above, the Group is able to ensure the deposit services are to

be provided on normal commercial terms or better and the Group's interests can be sufficiently safeguarded. As such, we concur with the view of the Directors that the terms of the Financial Services Agreement in respect of deposit services are entered into on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

4.2.3 Proposed Annual Caps for the Major and Continuing Connected Transaction

The table below sets out the Proposed Annual Caps for the provision of deposit services by COSCO SHIPPING Finance to the Group under the Financial Services Agreement for the three years ending 31 December 2028:

The Major and Continuing Connected Transaction	**Proposed Annual Caps for the three years ending 31 December 2028**		
	2026	**2027**	**2028**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Deposit services (1)	18,000,000	19,000,000	20,000,000

Note:

(1) Estimated based on the peak value of deposits (including accrued interest and handling fees) held by the Group in COSCO SHIPPING Finance.

As stated in the Letter from the Board, in arriving at the Proposed Annual Caps for the deposit services to be provided by COSCO SHIPPING Finance to the Group under the Financial Services Agreement, the Directors have considered (i) the historical transaction amounts for the provision of deposit services by COSCO SHIPPING Finance to the Group under the Existing Master Financial Services Agreement for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025 which had not fully utilised the previous annual caps mainly because the Company has utilised deposit limits based on its funding plan and project progress, which has been largely in line with its actual funding position; (ii) the container shipping market has continued to improve in recent years, the operating results of the Group has steadily improved, the net operating cash flow has increased significantly, and the transaction amount of the deposit services under the Financial Services Agreement is expected to increase correspondingly; (iii) the expected fluctuation in the exchange rate of RMB against US$ after taking into account that the Group has a certain proportion of revenue denominated in US$; (iv) the general expansion of business of COSCO SHIPPING Finance, which is conducive to the establishment and integration of an industry-finance ecosystem that is more closely connected to the shipping industry and the further enhancement of its financial service capabilities; (v) the expected increase in financing demands of the Group, including capital injection in subsidiaries, repayment of the maturing corporate bonds and replenishment of working capital; and (vi) pursuant to the Financial Services Agreement, the Group has full discretion to withdraw all funds under the deposit services of the Financial Services Agreement on an as-needed basis without any restriction.

In order to assess the fairness and reasonableness of the aforesaid bases and assumptions adopted by the Board in arriving the Proposed Annual Caps for the deposit services under the Financial Services Agreement, we have discussed with the management of the Company regarding the bases and assumptions in arriving at the Proposed Annual Caps for the deposit services and we have considered the following:

– We note that, in arriving the Proposed Annual Caps for the deposit services, the Company has considered the highest historical transaction amount of the provision of deposit services of approximately RMB13.5 billion, which represents approximately 67.4% of the highest Proposed Annual Cap. Hence, the Directors consider that and we concur that the historical transaction amount is an appropriate reference in determining the Proposed Annual Caps with the assumption that the transaction volume would reach the similar historical level;

– We also understand that the Company has also considered that the financing demands of the Group will also increase along with the expected expansion of the Group's business in the coming years. As discussed in the above paragraphs headed "3.2.4 Proposed Annual Caps for the Master Operating Lease Services Agreement in respect of services to be provided by the Group" and "3.2.6 Proposed Annual Caps for the Master Containers Services Agreement in respect of services to be provided by the Group", it is expected that the demand of services by the Group on the leasing of vessels as well as leasing and sales of containers will increase along with the increase in transportation capacities of the COSCO SHIPPING Group and as such the management of the Company considers that the demand for the financial services from COSCO SHIPPING Finance (including deposit services) will increase to support its business growth;

– In addition, we have reviewed the 2025 Interim Report and noted that in terms of the container leasing and manufacturing market, overall market demand is steadily being released while showing certain fluctuations. The growth of new shipping capacity in the container transportation industry, the demand for old container renewal, and the expansion of multi-scenario container applications still provided a strong support for the container market. In terms of the ship leasing market, the demand for ship leasing is subject to the combined influence of multiple factors, including the global economic environment, trade policies and interest rates in the capital market. Meanwhile, the green and low carbon transformation process of the shipping industry has been accelerating, thus the demand for updating and upgrading of vessels has further increased. As such, this suggests that there is a demand of the Group's vessel leasing as well as containers leasing or sales which provide a support to the business expansion of the Group and hence demand for the financial services from COSCO SHIPPING Finance;

– We have reviewed the Group's third quarterly report published on 30 October 2025 and noted that there was significant cash inflow and/or outflow from its operating activities, investing activities and financing activities. During nine months ended 30 September 2025, (i) the cash inflow from operating activities amounted to approximately RMB20.7 billion while the cash outflow from operating activities amounted to approximately RMB18.0 billion; and (ii) cash inflow from financing activities amounted to approximately RMB48.9 billion while the cash outflow from financing activities amounted to approximately RMB46.9 billion. The high volume of cash inflow and outflow demonstrates the high demand on financial services from financial institutions (including COSCO SHIPPING Finance) to support in normal operations. Moreover, as at 30 September 2025, the cash position of the Group amounted to approximately RMB12.5 billion as per the Group's third quarterly report published on 30 October 2025, which accounted for approximately 62.5% of the highest Proposed Annual Caps of RMB20.0 billion for the three years ending 31 December 2028; and

– We also understand that in arriving the Proposed Annual Caps for the deposit services under the Financial Services Agreement, the Directors have also taken into consideration the anticipated fluctuations in the exchange rate of RMB against USD. In light of this, we have searched for the exchange rates of US Dollar to RMB during the Review Period, as quoted from the website of State Administration of Foreign Exchange of the PRC and noted that the highest exchange rate of US Dollar to RMB during the Review Period represented a premium of approximately 7.6% over the lowest exchange rate of US Dollar to RMB during the Review Period.

Further, as advised by the management of the Company, as at the Latest Practicable Date, most of the cash is deposited within COSCO SHIPPING Finance and it is the Group's intention to continue to centralise its subsidiaries as well as joint ventures' capital with an aim to increase management efficiency. As such, taking into consideration that (i) the potential business expansion of the Group; (ii) the settlement of the newly built vessels in the coming three years; and (iii) the demand on the working capital and the borrowings will also increase along with the business expansion, it is expected that there will be an increasing demand on the deposit services from COSCO SHIPPING Finance, and hence we concur with the Directors' view that the Proposed Annual Caps for the deposit services will better accommodate the current cash and cash equivalents balance and provide an option for the Group to flexibly manage its surplus cash from operation in the future.

In light of the above, we are of the view that the Proposed Annual Caps for the deposit services under the Financial Services Agreement for the three years ending 31 December 2028 are determined based on reasonable estimations and after due and careful consideration and they are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

RECOMMENDATION

Having taken into account the above-mentioned principal factors and reasons, we are of the view that the entering into of the (i) 2025 Second Heavy Industry Shipbuilding Contracts; (ii) the Non-exempt Continuing Connected Transactions and (iii) the Major and Continuing Connected Transaction is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole, and the terms of the (i) 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder and (ii) the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the EGM to approve the (i) 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder and (ii) the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction and their respective Proposed Annual Caps.

Yours faithfully,
For and on behalf of
Goldlink Capital (Corporate Finance) Limited
Vincent Cheung
Managing Director

Mr. Vincent Cheung is a licensed person registered with the Securities and Futures Commission and regarded as a responsible officer of Goldlink Capital (Corporate Finance) Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has more than 15 years of experience in corporate finance industry.

* *for identification purposes only*

1. FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes on the annual accounts for the last financial year of the Group.

The audited consolidated financial statements of the Group for the three years ended 31 December 2022, 2023 and 2024 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2025, together with the relevant notes thereof are disclosed in the following documents, which has been published on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://development.coscoshipping.com):

(i) the annual report of the Company for the year ended 31 December 2022 published on 25 April 2023 (pages 120 to 259):

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0425/2023042501338.pdf

(ii) the annual report of the Company for the year ended 31 December 2023 published on 24 April 2024 (pages 109 to 243):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042401268.pdf

(iii) the annual report of the Company for the year ended 31 December 2024 published on 24 April 2025 (pages 113 to 249):

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0424/2025042400388.pdf

(iv) the interim report of the Company for the six months ended 30 June 2025 published on 23 September 2025 (pages 35 to 66):

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0923/2025092300264.pdf

2. STATEMENT OF INDEBTEDNESS

Debt securities and term loans

As at 31 October 2025, being the latest practicable date for the purpose of this statement of indebtedness, save as disclosed in respect of the borrowings and indebtedness of the Group below, the Group has no debt securities issued or outstanding, or authorized or otherwise created but unissued, and no term loans, distinguishing between guaranteed, unguaranteed, secured (whether the security is provided by the Company or by independent third parties) or unsecured.

Borrowings and indebtedness

As at 31 October 2025, being the latest practicable date for the purpose of this statement of indebtedness, the Group has outstanding borrowings, indebtedness and lease liabilities of approximately RMB92,145 million, comprising secured and unguaranteed bank and other loans of approximately RMB16,551 million, unsecured and unguaranteed bank and other loans of approximately RMB58,508 million, RMB corporate bonds of approximately RMB16,900 million and lease liabilities of approximately RMB186 million.

Contingent liabilities

As at 31 October 2025, being the latest practicable date for the purpose of this statement of indebtedness, the Group has no material contingent liabilities or guarantees.

Mortgages and charges

As at 31 October 2025, being the latest practicable date for the purpose of this statement of indebtedness, the Group's general banking facilities and the above outstanding secured borrowings were secured by the Group's property, plant and equipment, finance lease receivables and certain bank deposits.

Save as aforesaid or as otherwise mentioned herein and apart from intra-group liabilities, the Group did not have any outstanding mortgages, charges, debentures, loan capital, debt securities, bank loans and overdrafts or other similar borrowings or indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities as at 31 October 2025.

The Directors confirm that there was no material change in the indebtedness status of the Group since 31 October 2025 up to the Latest Practicable Date.

3. WORKING CAPITAL ADEQUACY OF THE GROUP

After due and careful enquiry, taking into account the financial resources available to the Group, including internally generated funds and available banking facilities, the Directors are of the opinion that the Group has sufficient working capital for its present requirements for at least 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Since 2025, the moderate recovery of the global economy has driven trade growth, and the shipping market's transportation demand steadily increased. Meanwhile, affected by factors including the geopolitical situation and congestion in some ports, the supply and demand pattern of the shipping industry further improved. Under the combined influence of multiple factors, the container transportation market has generally shown a stable and positive trend.

In terms of the container leasing and manufacturing market, the overall demand has gradually recovered and increased steadily due to the combined effects of multiple factors. The stable recovery of foreign trade, the growth of new capacity in the container transportation industry, and the demand for the replacement of old containers have provided resilient support to the market. On the other hand, the impact of the Red Sea situation on container turnover efficiency has further catalyzed the increase in market demand. In terms of the ship leasing market, with the continued growth of global trade and the steadily increased demand for shipping, demand for the fleet in shipping market increased, and the market size of the ship leasing industry continued to expand. Meanwhile, the green and low-carbon transformation process of the shipping industry has been accelerating, thus the demand for updating and upgrading of vessels has increased significantly.

Looking ahead to the next stage, the world economic and trade environment will remain complex and severe, and the development of the shipping industry will face many uncertainties. In the face of new opportunities and challenges, the Group will insist on promoting deepening reforms and actively responding to the uncertainties in the external environment, push forward its high-quality development steadily. The Group will also proactively grasp the development opportunities brought about by the optimization and adjustment of the shipping industry's capacity to further capitalize on the synergistic advantages of the industry chain, so as to expand the Group's product portfolio through technological innovation, and enhance the Group's endogenous power through the development of new-quality productive forces. At the same time, the Group will create greater value for Shareholders while accumulating momentum for the Group's long-term steady growth.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 document misleading.

2. DISCLOSURE OF INTERESTS

Interests and short positions of Directors, Supervisors and chief executives

Save as disclosed below, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executive(s) of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors, Supervisors or chief executive(s) is taken or deemed to have under such provisions of the SFO) or which was required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company.

Name	Position	Class of Shares	Capacity	Number of Shares interested *(Note 1)*	Approximate percentage of the relevant class total number of Shares of the Company *(%)*	Approximate percentage of the issued share capital of the Company *(%)*
Chan Kwok Leung	Director	H Shares	Beneficial owner	235,000 (L)	0.01	0.01
		H Shares	Interest of spouse	60,000 (L) *(Note 2)*	0.00	0.00

Notes:

1. "L" means long position in the shares.

2. The spouse of Mr. Chan Kwok Leung is the beneficial owner of 60,000 H shares. Mr. Chan Kwok Leung is deemed to be interested in the 60,000 H shares within the meaning of Part XV of the SFO.

Positions held by Directors and Supervisors in substantial Shareholder(s)

As at the Latest Practicable Date, save that Ms. Zhang Xueyan also serves as a deputy general manager of Capital Management & Operation Division of China COSCO SHIPPING Corporation Limited, none of the Directors or Supervisors was, a director or employee of a company which had an interest or short position in the Shares or 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.

Interests of substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, Supervisors or chief executive(s) of the Company, the interests or short positions of the Shareholders who are entitled to exercise or control 5% or more of the voting power at any general meeting or other persons (other than a Director, Supervisor or chief executive(s) of the Company) in the Shares or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO or which have been notified to the Company and the Hong Kong Stock Exchange were as follows:

Name of Shareholder	**Class of Shares**	**Capacity**	**Number of Shares interested** *(Note 1)*	**Approximate percentage of the total number of the relevant class of Shares of the Company** *(%)*	**Approximate percentage of the issued share capital of the Company** *(%)*
China Shipping	A Shares	Beneficial owner	4,628,015,690 (L)	47.46	35.07
	A Shares	Interest of controlled corporation	1,447,917,519 (L) *(Note 2)*	14.85	10.97
	H Shares	Interest of controlled corporation	100,944,000 (L) *(Note 3)*	2.93	0.76
COSCO SHIPPING	A Shares	Interest of controlled corporation	6,075,933,209 (L)	62.30	46.04
	A Shares	Beneficial owner	47,570,789 (L)	0.49	0.36
	H Shares	Interest of controlled corporation	100,944,000 (L) *(Note 3)*	2.93	0.76
COSCO SHIPPING Investment Holdings Co., Limited	A Shares	Beneficial owner	1,447,917,519 (L) *(Note 2)*	14.85	10.97
	H Shares	Interest of controlled corporation	100,944,000 (L) *(Note 3)*	2.93	0.76

Notes:

1. "L" means long position in the Shares.

2. Such 1,447,917,519 A Shares represent the same block of Shares.

3. Such 100,944,000 H Shares represent the same block of Shares and is held by Ocean Fortune Investment Limited, an indirect wholly-owned subsidiary of China Shipping.

Save as disclosed above, as at the Latest Practicable Date, no other person (other than Directors, Supervisors or chief executive(s) of the Company) had any interests or short positions in any Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or any interests or short positions recorded in the register kept by the Company pursuant to Section 336 of the SFO or any interests or short positions which have been notified to the Company and the Hong Kong Stock Exchange.

3. NO MATERIAL ADVERSE CHANGE

The Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

4. SERVICE CONTRACTS

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

5. LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

6. MATERIAL INTERESTS

As at the Latest Practicable Date:

(a) none of the Directors or the Supervisors had any direct or indirect interest in any assets which had been, since 31 December 2024 (being the date to which the latest published audited accounts 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; and

(b) none of the Directors or the Supervisors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, nor any of their respective close associates had any interest in other 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 Hong Kong Listing Rules.

8. EXPERTS' QUALIFICATIONS AND CONSENT

The following are the qualifications of the experts who have given their opinions or advice which are contained in this circular:

Name	Qualification
Goldlink Capital (Corporate Finance) Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the abovementioned expert had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter or opinion and/or the reference to its name and opinions in the form and context in which they respectively appear.

As at the Latest Practicable Date, the abovementioned expert did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the abovementioned expert did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024 (being the date to which the latest published audited statements of the Group were made up).

As at the Latest Practicable Date, the abovementioned expert had given and had not withdrawn its written consent to the issue of this circular, with the inclusion herein of its letter of advice dated 28 November 2025 in connection with their advice to the Independent Board Committee and the Independent Shareholders, and references to its name and/or its advice in the form and context in which they appeared.

9. MATERIAL CONTRACTS

There is no material contract (not being entered into in the ordinary course of business) entered into by any member of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date.

10. MISCELLANEOUS

(a) The company secretary of the Company is Mr. Cai Lei. He is qualified as a national judicial professional and an insurance assessor, and holds the title of senior economist.

(b) The registered address of the Company in the PRC is Room A–538, International Trade Center, Lin Gang Special Area, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC.

(c) The principal place of business of the Company in the PRC is No.1 Building, Lane 1318 Shangcheng Road, Pudong New Area, Shanghai, the PRC.

(d) The principal place of business of the Company in Hong Kong is 51/F, COSCO Tower, 183 Queen's Road Central, Hong Kong.

(e) The Company's Hong Kong H Share registrar is Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(f) The registered address of COSCO SHIPPING is 628, Minsheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC.

(g) Unless otherwise specified, the English text of this circular shall prevail over the Chinese text in case of inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents are on display and are published on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://development.coscoshipping.com) for a period of 14 days from the date of this circular:

(a) the 2025 Second Heavy Industry Shipbuilding Contracts *(note)*;

(b) each of the agreements in relation to the Non-exempt Continuing Connected Transactions and the Major and Continuing Connected Transaction;

(c) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Financial Adviser" in this circular; and

(d) the written consent referred to in the paragraph headed "Expert's Qualifications and Consent" in this appendix.

Note: The Company has applied to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 14.66(10) and Rule 14A.70(13) of, and paragraph 43(2)(c) of Appendix D1B to the Listing Rules, so that only the redacted version of the 2025 Second Heavy Industry Shipbuilding Contracts will be available on the websites of the Hong Kong Stock Exchange and the Company as documents on display.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of COSCO SHIPPING Development Co., Ltd. (the "**Company**") will be held at 1:30 p.m. on Monday, 15 December 2025 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC to consider and, if thought fit, pass the following resolutions.

Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 28 November 2025 (the "**Circular**").

ORDINARY RESOLUTIONS

1. To consider and approve the resolution in relation to the 2025 Second Heavy Industry Shipbuilding Contracts, further details of which are set out in the Circular:

   "**THAT**:

   (a) The 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

   (b) any one Director be and is hereby authorized to do all such acts and things and execute and deliver all such documents, deeds or instruments (including affixing the common seal of the Company thereon) and take all such steps as the Director in his or her sole opinion and absolute discretion may consider necessary, appropriate or desirable to implement or give effect to the 2025 Second Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder."

2. To consider and approve the continuing connected transaction agreements entered into between the Company and COSCO SHIPPING and the Proposed Annual Caps thereunder:

   2.1 To consider and approve the continuing connected transactions under the Master Operating Lease Services Agreement and its Proposed Annual Caps.

   2.2 To consider and approve the continuing connected transactions under the Master Finance Lease Services Agreement and its Proposed Annual Caps.

2.3 To consider and approve the continuing connected transactions under the Master Vessel Services Agreement and its Proposed Annual Caps.

2.4 To consider and approve the continuing connected transactions under the Master Containers Services Agreement and its Proposed Annual Caps.

2.5 To consider and approve the continuing connected transactions under the Master General Services Agreement and its Proposed Annual Caps.

2.6 To consider and approve the continuing connected transactions under the Master Tenancy Agreement and its Proposed Annual Caps.

2.7 To consider and approve the continuing connected transactions under the Trademark License Agreement and its Proposed Annual Caps.

2.8 To consider and approve the continuing connected transactions under the Management Services Agreement and its Proposed Annual Caps.

3. To consider and approve the continuing connected transactions under the Financial Services Agreement entered into between the Company and COSCO SHIPPING Finance and its Proposed Annual Caps.

4. To consider and approve the resolution in relation to the appointment of Mr. Zheng Xiaozhe as a non-executive Director.

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

Shanghai, the People's Republic of China
28 November 2025

Notes:

1. For the purpose of holding the EGM, the Register of Members will be closed from 10 December 2025 to 15 December 2025 (both days inclusive), during which period no transfer of H Shares will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on 9 December 2025 are entitled to attend and vote at the EGM.

2. In order to attend and vote at the EGM, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 9 December 2025.

3. Each H Shareholder who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the EGM.

4. The form of proxy must be signed by the Shareholder or his/her attorney duly authorised in writing or, in the case of a legal person, must either be executed under its common seal or under the hand of a legal representative or other attorney duly authorised to sign the same. If the form of proxy is signed by an attorney of the appointer, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarially certified.

5. To be valid, for H Shareholders, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to Computershare at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM or any adjournment thereof in order for such documents to be valid.

6. If a proxy attends the EGM on behalf of a Shareholder, he/she should produce his/her identity card and the form of proxy signed by the Shareholder or his/her legal representative or his/her duly authorised attorney, and specifies the date of its issuance. If a legal person Shareholder appoints its corporate representative to attend the EGM, such representative should produce his/her identity card and the notarised copy of the resolution passed by the board of directors or other authorities, or other notarised copy of the permit issued by such legal person Shareholder. Form(s) of proxy duly signed and submitted by HKSCC Nominees Limited are deemed to be valid, and it is not necessary for the proxy(ies) appointed by HKSCC Nominees Limited to produce the signed form of proxy when the proxy(ies) attend(s) the EGM. Completion and return of the form of proxy will not preclude a Shareholder from attending in person and voting at the EGM or any adjournment thereof should he/she so wish.

7. Pursuant to the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by way of poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolutions set out in the notice of the EGM will be voted on by poll. Results of the poll voting will be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk after the EGM. For the avoidance of doubt and for the purpose of the Listing Rules, holders of treasury Shares (if any) shall abstain from voting at the EGM.

8. Where there are joint registered holders of any share of the Company, only the person whose name stands first on the Register of Members in respect of such share may vote at the EGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto.

9. The EGM is estimated to last for half a day. Shareholders who attend the EGM in person or by proxy shall bear their own transportation and accommodation expenses.

As at the date of this notice, 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 in 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.".*