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中遠海運國際(香港)有限公司
COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 00517)

DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS RELATING TO CAPITAL INCREASE OF A JOINT VENTURE

BACKGROUND

Reference is made to the announcement of the Company dated 3 February 2023 in relation to the formation of the Joint Venture with COSCO SHIPPING Technology.

As at the date of this announcement, the Joint Venture is held as to 51% by the Company and 49% by COSCO SHIPPING Technology and is a direct non-wholly owned subsidiary of the Company. The registered capital of the Joint Venture in the sum of RMB50,000,000 has been fully paid by the Company and COSCO SHIPPING Technology.

THE CAPITAL INCREASE

On 5 January 2026, the Company, COSCO SHIPPING Technology and the Joint Venture entered into the Capital Increase Agreement, pursuant to which the Company and COSCO SHIPPING Technology shall make additional capital contribution to the Joint Venture in the following manner:

(a) the Company shall transfer all its 100% equity interests in Yuantong (a wholly-owned subsidiary of the Company) to the Joint Venture; and

(b) COSCO SHIPPING Technology shall transfer the SMART SAILING Platform and make a cash contribution to the Joint Venture.

Upon completion of the Capital Increase:

(a) the Company's equity interests in the Joint Venture will increase from 51% to 80% whereas COSCO SHIPPING Technology's equity interests in the Joint Venture will decrease from 49% to 20%;

(b) the Joint Venture will remain to be a direct non-wholly owned subsidiary of the Company;

(c) Yuantong will become a direct wholly-owned subsidiary of the Joint Venture; and

(d) while Yuantong will remain to be a subsidiary of the Company, it will become an indirect non-wholly owned subsidiary of the Company. Its financial results will continue to be consolidated into the results of the Group.

IMPLICATIONS UNDER THE LISTING RULES

The Injection

COSCO SHIPPING, being the ultimate holding company of the Company, is a connected person of the Company. COSCO SHIPPING Technology, being a subsidiary and hence an associate of COSCO SHIPPING, is therefore a connected person of the Company at the issuer level. Given that (i) the Joint Venture is a non-wholly owned subsidiary of the Company and (ii) COSCO SHIPPING Technology is a connected person of the Company at the issuer level holding more than 10% of the equity interests in the Joint Venture, the Joint Venture is a connected subsidiary of the Company under Rule 14A.16(1) of the Listing Rules and hence a connected person of the Company. Accordingly, the Injection (being a disposal of 100% equity interest in Yuantong by the Company and an acquisition of the same by the Joint Venture) constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Injection exceeds 5% but is less than 25%, the Injection constitutes (i) a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a non-exempt connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Capital Contribution of COSCO SHIPPING Technology

The capital contribution of COSCO SHIPPING Technology by way of transfer of the SMART SAILING Platform and cash contribution to the Joint Venture, a subsidiary of the Company, constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of such capital contribution exceed 0.1% but are less than 5%, such capital contribution is only subject to the reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Acquisition

The Acquisition (being an acquisition by the Company of further equity interests in the Joint Venture as a result of the Capital Increase) constitutes a transaction between the Company and COSCO SHIPPING Technology, a connected person of the Company, and hence a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes (i) a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a non-exempt connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE SGM

The SGM will be convened by the Company for the Independent Shareholders to consider and, if thought fit, approve the Capital Increase.

COSCO SHIPPING Technology is an associate of COSCO SHIPPING, the ultimate holding company of the Company. As such, COSCO SHIPPING, COSCO SHIPPING (Hong Kong) (the immediate holding company of the Company which is wholly-owned by COSCO SHIPPING) and their respective associates will abstain from voting in relation to the resolution to approve the Capital Increase.

The Independent Board Committee has been established to make recommendations to the Independent Shareholders in relation to the fairness and reasonableness of the Capital Increase.

Ballas Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Capital Increase is fair and reasonable.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further details of the Capital Increase (including but not limited to summaries of the reports of the Valuations); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the SGM will be despatched to the Shareholders on or before 26 January 2026 in accordance with the Listing Rules.

As completion of the Capital Increase is subject to the fulfilment of certain conditions precedent, the Capital Increase may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

BACKGROUND

Reference is made to the announcement of the Company dated 3 February 2023 in relation to the formation of the Joint Venture with COSCO SHIPPING Technology.

As at the date of this announcement, the Joint Venture is held as to 51% by the Company and 49% by COSCO SHIPPING Technology and is a direct non-wholly owned subsidiary of the Company. The registered capital of the Joint Venture in the sum of RMB50,000,000 has been fully paid by the Company and COSCO SHIPPING Technology.

THE CAPITAL INCREASE

On 5 January 2026, the Company, COSCO SHIPPING Technology and the Joint Venture entered into the Capital Increase Agreement, pursuant to which the Company and COSCO SHIPPING Technology shall make additional capital contribution to the Joint Venture in the following manner:

(a) the Company shall transfer all its 100% equity interests in Yuantong (a wholly-owned subsidiary of the Company) to the Joint Venture; and

(b) COSCO SHIPPING Technology shall transfer the SMART SAILING Platform and make a cash contribution to the Joint Venture.

Upon completion of the Capital Increase:

(a) the Company's equity interests in the Joint Venture will increase from 51% to 80% whereas COSCO SHIPPING Technology's equity interests in the Joint Venture will decrease from 49% to 20%;

(b) the Joint Venture will remain to be a direct non-wholly owned subsidiary of the Company;

(c) Yuantong will become a direct wholly-owned subsidiary of the Joint Venture; and

(d) while Yuantong will remain to be a subsidiary of the Company, it will become an indirect non-wholly owned subsidiary of the Company. Its financial results will continue to be consolidated into the results of the Group.

The shareholding structures of the Joint Venture immediately before and upon completion of the Capital Increase are set out below:

	Immediately before completion of the Capital Increase		Upon completion of the Capital Increase	
	Registered capital *(RMB)*	Shareholding	Registered capital *(RMB)*	Shareholding
The Company	25,500,000	51%	400,000,000	80%
COSCO SHIPPING Technology	24,500,000	49%	100,000,000	20%
Total	**50,000,000**	**100%**	**500,000,000**	**100%**

CAPITAL INCREASE AGREEMENT

The principal terms of the Capital Increase Agreement are set out below:

Date: 5 January 2026

Parties: (i) the Company;

(ii) COSCO SHIPPING Technology; and

(iii) the Joint Venture

Capital Increase: The Company shall satisfy its additional capital contribution by transferring its 100% equity interests in Yuantong to the Joint Venture. Such additional capital contribution will be allocated as to RMB374,500,000 for subscription of new registered capital of the Joint Venture and as to the remaining RMB764,395,100 for credit to the capital reserves of the Joint Venture.

COSCO SHIPPING Technology shall satisfy its additional capital contribution by making a cash contribution of RMB213,010,416 and transferring the SMART SAILING Platform to the Joint Venture. Such additional capital contribution will be allocated as to RMB75,500,000 for subscription of new registered capital of the Joint Venture and as to the remaining RMB190,746,316 for credit to the capital reserves of the Joint Venture.

After the Registration Completion Date, the registered capital of the Joint Venture shall increase from RMB50,000,000 to RMB500,000,000, and each party shall be entitled to and shall assume the corresponding shareholders' rights and shareholders' obligations in accordance with the Capital Increase Agreement and the articles of association of the Joint Venture.

After the Registration Completion Date, the Joint Venture shall complete the overseas direct investment (ODI) filing in accordance with the PRC laws in respect of the transfer of the equity interests in Yuantong to the Joint Venture.

Conditions Precedent:

The Joint Venture's application for the change in industrial and commercial registration in respect of the Capital Increase shall be conditional upon:

(i) the Capital Increase Agreement, the Equity Transfer Agreement and the Asset Transfer Agreement having been signed and having taken effect;

(ii) the Company and COSCO SHIPPING Technology having obtained their respective shareholders' approvals of the Capital Increase;

(iii) each of the Valuations having been completed and the valuation results having been approved or filed;

(iv) after the Capital Increase Agreement is signed and the Company and COSCO SHIPPING Technology obtain their respective shareholders' approval, the Joint Venture having passed shareholders' resolutions to approve the Capital Increase and the corresponding new articles of association;

(v) the Joint Venture having completed the property right registration of state-owned assets in respect of the Capital Increase; and

(vi) all the statements, representations, and warranties given by the Company and COSCO SHIPPING Technology in the Capital Increase Agreement being true and accurate in all material respects and containing no omissions which could be misleading in any material respects.

Within 15 Working Days after all the above conditions precedent are satisfied, the Joint Venture shall apply to the local administration for market regulation for change in industrial and commercial registration in respect of the Capital Increase.

Manner of Making Additional Capital Contribution:

The additional capital contribution shall be made in the following manner:

(i) after the Registration Completion Date and within 20 Working Days after all the conditions precedent to the Injection under the Equity Transfer Agreement are satisfied, the Company shall complete the Injection in accordance with the Equity Transfer Agreement;

(ii) within 20 Working Days after the Registration Completion Date, COSCO SHIPPING Technology shall make a cash contribution in the amount of RMB213,010,416 to the Joint Venture. COSCO SHIPPING Technology may also choose to make the cash contribution immediately upon the satisfaction of all the conditions precedent under the Capital Increase Agreement; and

(iii) on the Registration Completion Date, COSCO SHIPPING Technology shall complete the procedures for the transfer of the SMART SAILING Platform to the Joint Venture provided that the transfer of the relevant intellectual property rights requiring the registration of transfer or change with the relevant authorities shall not be subject to the aforementioned time limit and shall be handled in accordance with the regulations of the relevant authorities.

The following applies if either party fails to complete its additional capital contribution:

(i) If the Company fails to complete the Injection in accordance with the Equity Transfer Agreement within the specified time limit, the time limit shall be extended by 20 Working Days. If the Company fails to complete the Injection within the grace period, the Company shall pay liquidated damages to the Joint Venture in the sum of RMB1,000 per day of delay.

(ii) If COSCO SHIPPING Technology fails to make the cash contribution in full and/or complete the procedures for the transfer of the SMART SAILING Platform to the Joint Venture within the specified time limits, the time limits shall be extended by 20 Working Days. If COSCO SHIPPING Technology fails to make such cash contribution and/or complete the procedures for the transfer within the grace period, COSCO SHIPPING Technology shall pay liquidated damages to the Joint Venture in the sum of RMB1,000 per day of delay.

(iii) If the failure to complete the additional capital contribution within the time limits is due to government departments, regulatory authorities or the superior approval procedures of the Company and/or COSCO SHIPPING Technology, the Company and/or COSCO SHIPPING Technology shall be exempt from paying the liquidated damages.

Subject to completion of the change in industrial and commercial registration in respect of the Capital Increase, the profits and losses of the Joint Venture during the period from the Valuation Reference Date to the Registration Completion Date shall be enjoyed or borne by the Company and COSCO SHIPPING Technology (through their ownership of the equity interests in the Joint Venture) in accordance with their shareholding proportion after the Registration Completion Date. Subject to the completion of the Injection, the profits and losses of Yuantong during the period from the Valuation Reference Date to the Registration Completion Date shall be enjoyed or borne by the Joint Venture (through its ownership of the equity interests in Yuantong).

Collaboration with COSCO SHIPPING Technology:

After completion of the transfer of the SMART SAILING Platform, COSCO SHIPPING Technology undertakes to provide operational maintenance and upgrade services to the Joint Venture and the SMART SAILING Platform on a continuing basis in accordance with the existing technical standards of the SMART SAILING Platform, ensuring the effective operation of the SMART SAILING Platform.

The services relating to the operational maintenance, upgrade etc. of the SMART SAILING platform generated by the digital and intelligent businesses conducted by the Joint Venture and Yuantong during the ordinary and usual course of business, if undertaken by COSCO SHIPPING Technology, will constitute connected transactions or continuing connected transactions of the Company under the Listing Rules and related party transactions of COSCO SHIPPING Technology under the Shenzhen Listing Rules. Such transactions shall comply with the relevant requirements of the Listing Rules, the Shenzhen Listing Rules, etc. The parties undertake to determine the service fees and product prices for such transactions based on market principles with reference to market prices. COSCO SHIPPING Technology undertakes to provide a technical team that is sufficiently qualified to provide high-quality and high-standard digital and intelligent innovation and construction services to the Joint Venture and Yuantong.

After the Registration Completion Date, subject to compliance with the relevant requirements of the Listing Rules and the Shenzhen Listing Rules (including but not limited to the transactions being conducted on normal commercial terms or better, the terms being fair and reasonable, and the transaction being in the interests of the shareholders of the listed company as a whole), the Joint Venture and Yuantong shall choose COSCO SHIPPING Technology as the preferred partner to provide the aforementioned services except insofar as the Joint Venture or Yuantong chooses to cooperate with third parties based on strategic, commercial or other reasons as it deems appropriate.

Board of Directors:

After the Registration Completion Date, the board of directors of the Joint Venture shall consist of five (5) directors, four (4) of whom shall be nominated by the Company and one (1) of whom shall be nominated by COSCO SHIPPING Technology. Each term of office of the directors shall be three years and the directors shall be entitled to re-election upon expiry of each term. The board of directors shall have one (1) chairman, who shall be nominated by the Company and elected by the board of directors.

A board meeting shall only be held if attended by two-thirds or more of the directors.

Decisions made by the board of directors on the increase or reduction of the registered capital, issue of corporate bonds, merger, division, dissolution, winding up or change in corporate form, amendments to the articles of association, or external equity investment shall only be valid if resolved by two-thirds or more of the total number of directors.

Other decisions made by the board of directors shall only be valid if resolved by a majority of all the directors.

Shareholders' Meetings: The shareholders' meeting is the highest authority of the Joint Venture, deciding all major matters of the Joint Venture. The shareholders' meeting consists of all the shareholders of the Joint Venture.

Senior Management: After the Registration Completion Date, the Joint Venture shall have one (1) general manager, three (3) to five (5) deputy general managers, one (1) chief technology officer, and one (1) chief financial officer. The general manager shall be recommended by the Company and appointed by the board of directors. The deputy general managers shall be recommended by the shareholders (two (2) to four (4) of whom shall be recommended by the Company and one (1) of whom shall be recommended by COSCO SHIPPING Technology) and appointed by the board of directors. The chief technology officer shall be recommended by COSCO SHIPPING Technology and appointed by the board of directors. The chief financial officer shall be recommended by the Company and appointed by the board of directors.

Distribution of Profits: Subject to the healthy and sustainable development of the Joint Venture and Yuantong, the specific ratio and amount of the dividends to be distributed by the Joint Venture and Yuantong each year shall be determined by shareholders' meetings based on factors such as material strategic investments and working capital needs for the next twelve months and the cashflow position. In principle, such dividends shall not be less than 50% of the residual after-tax profits after making up for losses and setting aside capital reserves (where applicable). The profits shall be distributed in proportion to the capital actually contributed by the shareholders, unless otherwise agreed by all the shareholders.

Term: Except for certain boilerplate clauses, the Capital Increase Agreement shall take effect on the date the Company and COSCO SHIPPING Technology have both obtained their respective shareholders' approvals of the Capital Increase.

Basis for Determination of the Amount of the Capital Increase

The shareholdings of the Company and COSCO SHIPPING Technology upon completion of the Capital Increase (and hence the additional registered capital to be subscribed by them respectively) were determined based on arm's length negotiations with reference to (i) the capital needs of the Joint Venture; (ii) the reasons for and benefits of the Capital Increase as more particularly set out in the section headed "Reasons for and Benefits of the Capital Increase" in this announcement; and (iii) the Valuations and the dividends declared by Yuantong subsequent to the Valuation Reference Date.

In particular, the shareholdings of the Company and COSCO SHIPPING Technology upon completion of the Capital Increase are calculated in the following manner:

Shareholding to be held by the Company

$$\frac{A + (C \times 51\%)}{A + B + C} \times 100\% = 80\%$$

Shareholding to be held by COSCO SHIPPING Technology

$$\frac{B + (C \times 49\%)}{A + B + C} \times 100\% = 20\%$$

where:

(i) A is the Company's additional capital contribution (RMB1,138,895,100) (being the appraised value of Yuantong under the Yuantong Valuation at RMB1,288,895,100 minus the dividends declared by Yuantong subsequent to the Valuation Reference Date amounting to RMB150,000,000);

(ii) B is COSCO SHIPPING Technology's additional capital contribution (RMB266,246,316) (being the aggregate of its cash contribution of RMB213,010,416 and the appraised value of the SMART SAILING Platform under the SMART SAILING Platform Valuation at RMB53,235,900); and

(iii) C is the pre-Capital Increase valuation of the Joint Venture under the Joint Venture Valuation (RMB50,972,300).

Each of these formulae represents the proportion of the total capital contribution by the Company or COSCO SHIPPING Technology to the post-Capital Increase valuation of the Joint Venture upon completion of the Capital Increase.

In view of the above, the Board is of the view that the amount of the Capital Increase is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group

The Group is principally engaged in the provision of shipping services and general trading.

COSCO SHIPPING Technology and the SMART SAILING Platform

COSCO SHIPPING Technology is one of the earliest companies engaged in transportation and shipping technology services in China. It has all-round and full-chain software and hardware integration service capabilities committed to advancing digital shipping and supply chain, as well as digital urban and transportation businesses. With the model of "platform, product and service", it provides customers in the industry with end-to-end digital and intelligent solutions such as vessel value visualization platform, data integration platform, and smart shipping management platform which support the integration of the business of the customers of the service industry with new technologies such as big data, cloud computing, and artificial intelligence in order to accelerate and promote digital transformation and equip the development of the industry with capabilities and intelligence through technology and data.

The SMART SAILING Platform was designed and developed by COSCO SHIPPING Technology and was officially launched in June 2023. Centering on shipping services, underpinned by new digital infrastructure for the digitalisation of shipping, and driven by green, intelligent, and digital initiatives, it aims to comprehensively enhance the levels and service capabilities of shipping services. The SMART SAILING Platform centres around three development directions, namely, green and low-carbon development, navigation safety, and smart supply chains and leverages next-generation information technologies such as artificial intelligence, big data, and the Internet of Things to reshape the full life cycle management process for ship design, construction, operation, maintenance, and disposal.

As at 31 December 2024 and the Valuation Reference Date, the unaudited book value of the SMART SAILING Platform was nil since the SMART SAILING Platform was designed and developed by COSCO SHIPPING Technology internally and the relevant research and development costs have been recognised as expenses by COSCO SHIPPING Technology in its account. According to the SMART SAILING Platform Valuation, the SMART SAILING Platform as at the Valuation Reference Date was appraised at RMB53,235,900 under the cost approach.

The Joint Venture

The Joint Venture was jointly established by the Company and COSCO SHIPPING Technology with the aim of being a world-leading shipping services enterprise providing green, low-carbon and digital intelligence solutions for the full life cycle of the shipping industry. It provides comprehensive operational solutions for ships such as energy saving and emission reduction, navigation safety, spare parts/energy supply and ship operation and maintenance, and specifically, is responsible for businesses such as energy saving and emission reduction monitoring, ship safety monitoring, maritime affairs management, ship navigation optimisation calculations and chart design. The Joint Venture serves as the front-end platform and technology middle platform for businesses such as machine management, fuel supply, spare parts supply and new energy fueling. Leveraging on the Company's advantage in brick-and-mortar business and COSCO SHIPPING Technology's advantage in digital technology, the Joint Venture facilitates the penetration of the shipping services business into the ship-owner's supply chain system, enhance the existing business efficiency and customer experience, and create greater value for customers.

Based on the audited financial statements of the Joint Venture prepared in accordance with the accounting principles generally accepted in the PRC (PRC GAAP), the key financial information of the Joint Venture is set out below:

	For the period from Incorporation to 31 December 2023	**For the year ended 31 December 2024**	**For the seven months ended 31 July 2025**
	RMB	*RMB*	*RMB*
	(audited)	(audited)	(audited)
Net loss before tax	(3,102,752)	(21,360,156)	(13,811,358)
Net loss after tax	(3,102,752)	(21,360,156)	(13,811,358)

As at 31 July 2025, the audited net asset value of the Joint Venture was RMB11,725,734. According to the Joint Venture Valuation, the entire equity interest in the Joint Venture as at the Valuation Reference Date was appraised at RMB50,972,300 under the asset-based approach, which is a valuation method of the cost approach.

Yuantong

Yuantong is principally engaged in the sale and installation of marine equipment and spare parts for existing and new build vessels, as well as equipment of radio communication systems, satellite communications and navigation systems for ships, offshore facilities, coastal station and land users, marine materials supply and voyage repair business.

The shareholding structures of Yuantong immediately before and upon completion of the transfer are set out below:

Name of Shareholder	Immediately before completion of the transfer		Upon completion of the transfer	
	Number of shares	Shareholding	Number of shares	Shareholding
The Company	208,352,000	100%	—	—
The Joint Venture	—	—	208,352,000	100%
Total	**208,352,000**	**100%**	**208,352,000**	**100%**

After completion of the Capital Increase, Yuantong will remain to be a subsidiary of the Company, and its financial results will continue to be consolidated into the results of the Group. Therefore, the Capital Increase is not expected to generate any gains or losses in the consolidated income statement of the Group.

Based on the unaudited consolidated financial statements of Yuantong for the year ended 31 December 2023 and the audited consolidated financial statements of Yuantong for the year ended 31 December 2024 and the seven months ended 31 July 2025 prepared in accordance with the accounting principles generally accepted in Hong Kong (HKGAAP), the key consolidated financial information of Yuantong and its subsidiaries is set out below:

	For the year ended 31 December 2023	For the year ended 31 December 2024	For the seven months ended 31 July 2025
	HK$	*HK$*	*HK$*
	(unaudited)	(audited)	(audited)
Net profit before tax	109,034,000	117,593,000	63,697,000
Net profit after tax	89,162,000	96,688,000	52,697,000

As at 31 July 2025, the audited consolidated net asset value of Yuantong and its subsidiaries was HK$987,934,000. According to the Yuantong Valuation, the entire equity interest in Yuantong was appraised at RMB1,288,895,100 (equivalent to HK$1,415,139,700) as at the Valuation Reference Date under the market approach. The dividends declared by Yuantong subsequent to the Valuation Reference Date amounted to RMB150,000,000 (equivalent to HK$164,692,190).

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

Through the Capital Increase and the digital and intelligent integration solution of "COSCO SHIPPING Smart-Sailing Marine Solutions — Yuantong", the Company will significantly strengthen its core business capabilities and strategic positioning. This initiative will not only unleash robust synergistic

effects, but also expand the Company's business footprint and enhance asset value. After the completion of the Capital Increase, the Company will further deepen its integration with core business scenarios, systematically cultivate new quality productive forces, build a portfolio of intelligent service products with industry-wide promotion and replication value, and thus accelerate the full coverage and in-depth development of the "full life cycle of smart ships" scenarios.

The net proceeds from the cash capital contribution of RMB213,010,416 under the Capital Increase are intended to be applied by the Joint Venture to supplement daily operational cash flow, fund project research and development (R&D), support product sales and facilitate ecological integration. These include (a) the R&D of the spare parts full life cycle management platform, the development of intelligent platforms covering fuel oil trading, ship trading and insurance brokerage; (b) the investment in the building of sales networks and marketing systems, with the aim of building a tiered sales system targeting different customer segments and an agency network partnering with third-party service providers; and (c) the acquisition and merger, investment, etc. of targets with strong cash flow performance and broad commercialization prospects to gain access to scarce data and external customer resources.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) consider that the terms of the Capital Increase and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As none of the Directors has a material interest in the Capital Increase, none of them is required to abstain from voting on the relevant board resolutions approving the Capital Increase and the transactions contemplated thereunder under the Bye-laws or the Listing Rules. For good corporate governance practices, Mr. Zhu Changyu, an executive Director, has voluntarily chosen to abstain from voting in view of his concurrent positions as chairman and legal representative of the Joint Venture.

IMPLICATIONS UNDER THE LISTING RULES

The Injection

COSCO SHIPPING, being the ultimate holding company of the Company, is a connected person of the Company. COSCO SHIPPING Technology, being a subsidiary and hence an associate of COSCO SHIPPING, is therefore a connected person of the Company at the issuer level. Given that (i) the Joint Venture is a non-wholly owned subsidiary of the Company and (ii) COSCO SHIPPING Technology is a connected person of the Company at the issuer level holding more than 10% of the equity interests in the Joint Venture, the Joint Venture is a connected subsidiary of the Company under Rule 14A.16(1) of the Listing Rules and hence a connected person of the Company. Accordingly, the Injection (being a disposal of 100% equity interest in Yuantong by the Company and an acquisition of the same by the Joint Venture) constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Injection exceeds 5% but is less than 25%, the Injection constitutes (i) a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a non-exempt connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Capital Contribution of COSCO SHIPPING Technology

The capital contribution of COSCO SHIPPING Technology by way of transfer of the SMART SAILING Platform and cash contribution to the Joint Venture, a subsidiary of the Company, constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of such capital contribution exceed 0.1% but are less than 5%, such capital contribution is only subject to the reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Acquisition

The Acquisition (being an acquisition by the Company of further equity interests in the Joint Venture as a result of the Capital Increase) constitutes a transaction between the Company and COSCO SHIPPING Technology, a connected person of the Company, and hence a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes (i) a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a non-exempt connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE SGM

The SGM will be convened by the Company for the Independent Shareholders to consider and, if thought fit, approve the Capital Increase.

COSCO SHIPPING Technology is an associate of COSCO SHIPPING, the ultimate holding company of the Company. As such, COSCO SHIPPING, COSCO SHIPPING (Hong Kong) (the immediate holding company of the Company which is wholly-owned by COSCO SHIPPING) and their respective associates will abstain from voting in relation to the resolution to approve the Capital Increase.

As at the date of this announcement, COSCO SHIPPING, COSCO SHIPPING (Hong Kong) and their respective associates were interested in, controlled and were entitled to exercise control 1,051,183,486 Shares, representing approximately 71.70% of the total number of issued Shares.

The Independent Board Committee has been established to make recommendations to the Independent Shareholders in relation to the fairness and reasonableness of the Capital Increase.

Ballas Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Capital Increase is fair and reasonable.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further details of the Capital Increase (including but not limited to summaries of the reports of the Valuations); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the SGM will be despatched to the Shareholders on or before 26 January 2026 in accordance with the Listing Rules.

As completion of the Capital Increase is subject to the fulfilment of certain conditions precedent, the Capital Increase may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Acquisition"	the acquisition of further equity interests in the Joint Venture by the Company as a result of the Capital Increase;
"Asset Transfer Agreement"	the SMART SAILING Platform asset transfer agreement to be entered into between COSCO SHIPPING Technology and the Joint Venture in relation to the transfer of SMART SAILING Platform contemplated under the Capital Increase Agreement;
"associate(s)"	has the meaning ascribed to it in the Listing Rules;
"Board"	the board of Directors;
"Bye-laws"	the bye-laws of the Company as may be amended from time to time;
"Capital Increase"	the increase in the registered capital of the Joint Venture to be satisfied by (i) the Injection by the Company and (ii) the transfer of the SMART SAILING Platform and cash contribution by COSCO SHIPPING Technology, upon completion of which the Company's equity interest in the Joint Venture will increase from 51% to 80% and COSCO SHIPPING Technology's equity interest in the Joint Venture will decrease from 49% to 20%;

"Capital Increase Agreement"	the capital increase agreement dated 5 January 2026 entered into between the Company, COSCO SHIPPING Technology and the Joint Venture in relation to the Capital Increase;
"China Tong Cheng"	中通誠資產評估有限公司 (China Tong Cheng Assets Appraisal Co., Ltd.*), an independent valuer in the PRC;
"Company"	COSCO SHIPPING International (Hong Kong) Co., Ltd., a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00517);
"connected person"	has the meaning ascribed to it in the Listing Rules;
"COSCO SHIPPING"	中國遠洋海運集團有限公司 (China COSCO Shipping Corporation Limited*), a company established in the PRC which is a PRC state-owned enterprise and the ultimate holding company of the Company and COSCO SHIPPING Technology;
"COSCO SHIPPING (Hong Kong)"	COSCO SHIPPING (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and the immediate holding company of the Company which is wholly-owned by COSCO SHIPPING;
"COSCO SHIPPING Technology"	中遠海運科技股份有限公司 (COSCO SHIPPING Technology Co., Ltd.*), a company incorporated in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002401), and an indirect non-wholly owned subsidiary of COSCO SHIPPING;
"Director(s)"	the director(s) of the Company;
"Equity Transfer Agreement"	the equity transfer agreement to be entered into between the Company and the Joint Venture in relation to the Injection;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Group"	the Company and its subsidiaries;
"Independent Board Committee"	an independent committee of the Board comprising Mr. Tsui Yiu Wa, Alec, Mr. Jiang, Simon X. and Mr. Kwong Che Keung, Gordon (all being independent non-executive Directors) to advise the Independent Shareholders, taking into account the recommendations of the Independent Financial Adviser, in relation to the Capital Increase;

"Independent Financial Adviser"	Ballas Capital Limited, being a licensed corporation to carry out Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities as defined under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Capital Increase;
"Independent Shareholders"	the Shareholders, other than those are required under the Listing Rules to abstain from voting on the relevant resolution approving the Capital Increase at the SGM;
"Injection"	the Company's injection of its 100% equity interests in Yuantong (being 208,352,000 shares) into the Joint Venture to satisfy the Company's additional capital contribution to the Joint Venture under the Capital Increase;
"Joint Venture"	中遠海運綠色數智船舶服務有限公司 (COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd.*), a company incorporated in the PRC with limited liability which, as at the date of this announcement, is held as to 51 % by the Company and 49% by COSCO SHIPPING Technology and is a direct non-wholly owned subsidiary of the Company;
"Joint Venture Valuation"	the valuation of the Joint Venture as of the Valuation Reference Date by China Tong Cheng;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan);
"Registration Completion Date"	the date of completion of the change in industrial and commercial registration in respect of the Capital Increase by the Joint Venture;
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"SGM"	a special general meeting to be convened by the Company for the purpose of considering, and if thought fit, approving the Capital Increase;
"Shanghai Dongzhou"	上海東洲資產評估有限公司 (Shanghai Dongzhou Assets Appraisal Co., Ltd.*), an independent valuer in the PRC;

"Share(s)"	the share(s) of the Company;
"Shareholder(s)"	the holder(s) of the Shares;
"Shenzhen Listing Rules"	the Rules Governing the Listing of Shares on Shenzhen Stock Exchange;
"SMART SAILING Platform"	the SMART SAILING Platform launched by COSCO SHIPPING Technology, being technological products designed and developed by COSCO SHIPPING Technology, to be transferred to the Joint Venture pursuant to the Capital Increase;
"SMART SAILING Platform Valuation"	the valuation of the SMART SAILING Platform as of the Valuation Reference Date by Shanghai Dongzhou;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Valuations"	the Joint Venture Valuation, the Yuantong Valuation and the SMART SAILING Platform Valuation;
"Valuation Reference Date"	31 July 2025;
"Working Day(s)"	a day which is both: (i) a normal business day for commercial banks in the PRC, other than a Saturday, Sunday and statutory holiday in the PRC; and (ii) a day on which licensed banks in Hong Kong are open for general business (other than a Saturday, Sunday, Hong Kong public holiday, a day on which a tropical cyclone warning signal no. 8 or above, a "black rainstorm warning signal" or "extreme conditions" as announced by the Hong Kong Government is hoisted or remains hoisted at any time between 9:00 a.m. and 5:00 p.m. in Hong Kong);
"Yuantong"	Yuantong Marine Service Co. Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
"Yuantong Valuation"	the valuation of Yuantong as of the Valuation Reference Date by China Tong Cheng;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;

"RMB"	Renminbi, the lawful currency of the PRC; and
"%"	per cent.

* *for identification purposes only*

Note: In this announcement, the exchange rate of HK$1 to RMB0.91079 is used for reference only.

By Order of the Board
COSCO SHIPPING International (Hong Kong) Co., Ltd.
Zhu Changyu
Chairman and Managing Director

5 January 2026

As at the date of this announcement, the Board comprises seven directors with Mr. Zhu Changyu[1] *(Chairman and Managing Director), Mr. Ma Xianghui*[2]*, Ms. Zhang Xueyan*[2]*, Mr. Wang Yong*[1]*, Mr. Tsui Yiu Wa, Alec*[3]*, Mr. Jiang, Simon X.*[3] *and Mr. Kwong Che Keung, Gordon*[3]*.*

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