THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in LC Logistics, Inc., you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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LC Logistics, Inc.
乐舱物流股份有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2490)

MAJOR TRANSACTION
IN RELATION TO
THE DISPOSAL OF A VESSEL

Capitalised terms on this cover page shall have the same meanings as those defined in "Definitions" in this circular, unless the context requires otherwise.

The 2025 Heads of Agreement and the 2025 Novation Agreement have been approved by way of written shareholders' approval obtained from Lecang Altitude Limited, Lecang Fantasy, Glorious Sailing Limited, Lecang Shining Limited and Lecang Flourishing Limited in lieu of a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

20 January 2026

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

"2024 Shipbuilding Agreement"	the shipbuilding agreement dated 6 June 2024, entered into among the Lecang Fantasy, China Shipbuilding and Jiangnan Shipyard in relation to the order for construction of the Disposed Vessel
"2025 Heads of Agreement"	the heads of agreement dated 30 December 2025 entered into between Lehang Boundless and Blue Anchor, in relation to the novation of all rights and obligations under the 2024 Shipbuilding Agreement for the order for construction of the Disposed Vessel to Blue Anchor
"2025 Novation Agreement"	the novation agreement dated 30 December 2025 entered into among Lehang Boundless, Blue Anchor, China Shipbuilding and Jiangnan Shipyard in relation to the novation of all rights and obligations under the 2024 Shipbuilding Agreement for the order for construction of the Disposed Vessel to Blue Anchor
"Acting in Concert Deed"	the acting in concert deed dated 15 October 2022 and executed by Mr. Xu Xin (許昕), Ms. Li Yan (李艷) and Ms. Liu Quanxiang (劉泉香), details of which have been disclosed in the Prospectus
"Announcement"	the announcement of the Company dated 2 September 2024 in relation to the 2024 Shipbuilding Agreement
"Bal Container"	Bal Container Line Co., Limited, a company incorporated in Hong Kong with limited liability
"Blue Anchor"	Blue Anchor Oceanway Limited, a corporation organized and existing under the laws of Liberia
"Board"	the board of directors of the Company
"China Shipbuilding"	China Shipbuilding Trading Co., Ltd. (中國船舶工業貿易有限公司), a corporation organized and existing under the laws of the PRC
"Company"	LC Logistics, Inc. (乐舱物流股份有限公司), an exempted company incorporated in the Cayman Islands with limited liability

"connected person"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders"	Mr. Xu Xin, Ms. Li Yan, Ms. Liu Quanxiang, Lecang Boundless Limited, Lecang Fantasy, Grand Sailing Limited, Lecang Altitude Limited, Peace Seaworld Limited, Lecang Shining Limited, Spring Wealth Limited, Lecang Flourishing Limited and Glorious Sailing Limited
"Directors"	the directors of the Company
"Disposal Refund Guarantee Acknowledgement"	the refund guarantee acknowledgement provided by the Disposal Refund Guarantor
"Disposal Refund Guarantor"	China Merchants Bank Co., Ltd, Beijing Branch, the bank designated by Jiangnan Shipyard and China Shipbuilding under the 2024 Shipbuilding Agreement and the 2025 Novation Agreement for the purpose of guaranteeing the refund of the instalments paid for the purchase of the Disposed Vessel pursuant to the 2024 Shipbuilding Agreement
"Disposed Vessel"	the large container vessel, with Hull No. H2872, with a capacity of 14,000 TEUs under construction as contemplated under the 2024 Shipbuilding Agreement, that is the subject of the 2025 Heads of Agreement and the 2025 Novation Agreement
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Parties"	individual(s) or company(ies) which, to the best of our Directors' knowledge, information, and belief, having made all reasonable enquiries, is/are independent of the Company and its connected persons
"Jiangnan Shipyard"	Jiangnan Shipyard (Group) Co., Ltd. (江南造船(集團)有限責任公司), a corporation organized and existing under the laws of the PRC

"Latest Practicable Date"	19 January 2026, being the latest practicable date for ascertaining certain information referred to in this circular
"Lecang Fantasy"	Lecang Fantasy Limited, a company incorporated in the British Virgin Islands with limited liability
"Lehang Boundless"	Lehang Boundless Limited, a company incorporated in the British Virgin Islands with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Prospectus"	the prospectus of the Company dated 13 September 2023
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shandong Lcang"	Shandong Lcang International Logistics Inc. Corp. Ltd (山東樂艙網國際物流股份有限公司), a company established in the PRC with limited liability
"Shares"	ordinary shares of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TEU(s)"	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of eight feet six inches and width of eight feet
"US$"	United States dollar, the lawful currency of the United States of America
"%"	per cent

LC Logistics, Inc.
乐舱物流股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2490)

Executive Directors:
Mr. Xu Xin
Ms. Li Yan
Ms. Zhu Jiali
Mr. Yu Zhenrong

Independent Non-executive Directors:
Dr. Gu Lin
Dr. Yang Kequan
Mr. Qi Yinliang

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Headquarters and principal place of business in the PRC:
9/F, China Stone Building
37 Hong Kong Middle Road
Shinan District
Qingdao, Shandong Province
PRC

Principal place of business in Hong Kong:
31/F., Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

20 January 2026

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF A VESSEL

INTRODUCTION

Reference is made to the announcement of the Company dated 30 December 2025 in relation to the 2025 Heads of Agreement and the 2025 Novation Agreement. The purpose of this circular is to provide you with (i) further details of the 2025 Heads of Agreement and the 2025 Novation Agreement; and (ii) other information required under the Listing Rules.

2025 Heads of Agreement

The principal terms of the 2025 Heads of Agreement are summarized as follows:

Date: 30 December 2025

Parties: (1) Lehang Boundless; and

(2) Blue Anchor

Subject Matter: Lehang Boundless shall novate all rights and obligations under the 2024 Shipbuilding Agreement to Blue Anchor pursuant to the 2025 Novation Agreement while Blue Anchor shall pay a total consideration in the amount of US$170 million, of which US$68.64 million shall be payable to Lehang Boundless.

Purchase Price: The consideration payable by Blue Anchor to Lehang Boundless shall be divided into two parts:

(1) US$43.44 million, being the upfront payment deemed as being paid by Lehang Boundless under the 2024 Shipbuilding Agreement, shall be refunded to Lehang Boundless within one banking day after the conditions precedent set out below are fulfilled; and

(2) US$25.20 million, being the premium for the disposal of the Disposed Vessel, shall be payable to Lehang Boundless within one banking day after the conditions precedent set out below are fulfilled.

In addition to the consideration payable by Blue Anchor to Lehang Boundless, Blue Anchor shall further refund the cost of the buyer furnished equipment in the amount of US$1,862,495.52 upon the provision of evidence that such equipment has been paid already to the relevant suppliers and the warranty from such suppliers has been novated in favour of Blue Anchor.

The remaining consideration of US$101.36 million shall be payable by Blue Anchor to Jiangnan Shipyard and China Shipbuilding pursuant to the terms of the 2024 Shipbuilding Agreement.

Conditions Precedent: The obligations of Blue Anchor are conditional on the following conditions precedent being satisfied or expressly waived in writing by the parties to the 2025 Heads of Agreement:

(i) the execution of the 2025 Heads of Agreement by Lehang Boundless and Blue Anchor;

(ii) due execution and effectiveness of the 2025 Novation Agreement; and

(iii) receipt by Blue Anchor of the Disposal Refund Guarantee Acknowledgment to be issued by the Disposal Refund Guarantor for the Disposed Vessel in favor of the Blue Anchor.

2025 Novation Agreement

The principal terms of the 2025 Novation Agreement which are summarized as follows:

Date: 30 December 2025

Parties: Lehang Boundless;

Blue Anchor;

Jiangnan Shipyard; and

China Shipbuilding

Subject Matter: Blue Anchor shall be substituted in place of Lehang Boundless as the purchaser under the 2024 Shipbuilding Agreement and Blue Anchor shall take over and assume all the rights and obligations of Lehang Boundless under the 2024 Shipbuilding Agreement.

The first and second instalments in the aggregate amount of US$43.44 million paid by Lehang Boundless shall be deemed as being paid by Blue Anchor while the third and fourth instalments in the aggregate amount of US$101.36 million and any further cost or expenses shall be paid by Blue Anchor pursuant to the 2024 Shipbuilding Agreement. Subject to the terms and conditions of the 2025 Novation Agreement, Lehang Boundless shall procure the Disposal Refund Guarantor to issue the Disposal Refund Guarantee Acknowledgment in favour of Blue Anchor.

Guarantee: Blue Anchor shall provide the payment guarantee to Jiangnan Shipyard and China Shipbuilding upon fulfillment of the conditions precedent set out below.

Conditions Precedent: The 2025 Novation Agreement shall only become effective upon the satisfaction of the following condition precedents:

(i) the execution of the 2025 Novation Agreement;

(ii) approval by the Shareholders;

(iii) receipt by the Disposal Refund Guarantor of a novation notice issued by Lehang Boundless, Bal Container, Blue Anchor pursuant to the terms of the 2025 Novation Agreement;

(iv) provision by the Disposal Refund Guarantor of the Disposal Refund Guarantee Acknowledgment in favour of Blue Anchor;

(v) receipt by Jiangnan Shipyard and China Shipbuilding of the payment guarantee.

Long Stop Date: If, due to any reason whatsoever, any of the aforesaid condition precedents fail to be fulfilled on or by 4:00 p.m. of 28 February 2026 (Beijing time) at the latest, the 2025 Novation Agreement shall become null and void and having no effect whatsoever and no party shall be liable to the other for any loss or damage (if any) whether under the 2025 Novation Agreement or under any applicable law.

The consideration

The consideration for the disposal of the Disposed Vessel under the 2025 Heads of Agreement and the 2025 Novation Agreement was US$170 million, comprising (i) the original purchase price for the Disposed Vessel in the amount of US$144.8 million paid or payable to Jiangnan Shipyard and China Shipbuilding under the 2024 Shipbuilding Agreement (as disclosed in the Announcement); and (ii) the premium in the amount of US$25.2 million payable to Lehang Boundless, which was determined between Lehang Boundless and Blue Anchor after arm's length negotiation and with reference to the (i) the original purchase price for the Disposed Vessel in the amount of US$144.8 million under the 2024 Shipbuilding Agreement; (ii) the valuation of the Disposed Vessel being approximately US$168.03 million in as at 9 November 2026 (the "**Base Date**") (being the expected delivery date for the Disposed Vessel) valued by Shanghai Gillion Assets Appraisal Co., Ltd. ("**Shanghai Gillion**"), an independent valuer by using the cost method; and (iii) the market intelligence gathered by the Company from shipbrokers and its own analysis of recently concluded sale and purchase transactions of vessels of comparable size in the market.

The premium in the amount of US$25.2 million was the difference between the consideration for the disposal and the original purchase price for the Disposed Vessel.

Shanghai Gillion is a professional appraisal institution approved by Shanghai State Owned Assets Management Office since 1996 and holds an appraisal qualification certificate issued by the Bureau of Finance of Shanghai. It has the qualifications for various appraisal including but not limited to enterprise appraisal, real estate appraisal, intangible assets appraisal, machinery and equipment appraisal.

The market intelligence mentioned above are gathered by the Company from market reports (the "**Market Reports**") issued from time to time by prestigious shipbrokers with worldwide presence including Clarksons and MB Shipbrokers. The Company has referred to the recent container ship newbuilding price assessment data in the Market Reports, according to which, during November 2025 to December 2025, the worldwide newbuilding price for container ship with a size of 15,000 TEU was approximately US$160 million and that for container ship with LNG dual-fuel engine (being a more advanced version) and with a size of 13,000 TEU to 15,000 TEU ranged from US$172 million to US$195 million (the "**Comparable Quotations**").

The Disposed Vessel

As the Disposed Vessel is still under construction pursuant to the 2024 Shipbuilding Agreement, no net profits were attributable to the Disposed Vessel. The unaudited net book value of the Disposed Vessel as at 9 December 2025 is expected to be US$43.44 million, which is equivalent to the instalments deemed as being paid by Lehang Boundless to Jiangnan Shipyard and China Shipbuilding pursuant to the 2024 Shipbuilding Agreement as at the Latest Practicable Date.

Financial effect and use of proceeds from the disposal of the Disposed Vessel

The net proceeds from the disposal of the Disposed Vessel will be used for the expansion of current business of the Group including the acquisition of high quality targets in the industry and the supplement of cash flow of the Group. Based on the preliminary assessment, the Group will record a gain of approximately US$20.1 million as a result of the disposal of the Disposed Vessel, being the difference between the consideration for the disposal of the Disposed Vessel to be payable to Lehang Boundless being US$68.64 million in aggregate and the unaudited net book value of the Disposed Vessel as at 30 November 2025 being US$43.44 million, after deducting the estimated amount of relevant tax expenses and relevant expenses payable by Lehang Boundless. The actual gain or loss as a result of the disposal of the Disposed Vessel to be recorded by the Group is subject to final audit to be performed by the auditors of the Company.

Reasons for and benefits of the 2025 Heads of Agreement and the 2025 Novation Agreement

The Group is an integrated cross-border seaborne logistics service provider in the PRC. After considering the cost paid by the Group for the construction of the Disposed Vessel and the consideration for the disposal of the Disposed Vessel, the Company is of the view that the transactions contemplated under the 2025 Heads of Agreement and the 2025 Novation Agreement represent a great opportunity for the Group to realize the value of the Disposed Vessel in advance which is expected to bring a net income of approximately US$20.1 million. Such income will supplement the cash flow of the Group, further enhance its financial stability and bring significant financial gains to the Group.

In view of the above, the Directors consider that, the 2025 Heads of Agreement and the 2025 Novation Agreement are not entered into during the ordinary and usual course of business of the Group but the terms of which are on normal commercial terms and are fair and reasonable, in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE PARTIES TO THE 2025 HEADS OF AGREEMENT AND THE 2025 NOVATION AGREEMENT

Information on the Group, Bal Container and Lehang Boundless

The Group is an integrated cross-border seaborne logistics service provider in the PRC, the Shares of which are listed on the Main Board of the Stock Exchange.

Bal Container is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of cross-border transportation services. Bal Container is indirectly wholly-owned by Shandong Lcang. Shandong Lcang is a company established in the PRC with limited liability and is principally engaged in the provision of cross-border transportation services. Shandong Lcang is an approximately 99%-owned subsidiary of the Company and the remaining approximately 1% equity interests of Shandong Lcang is

indirectly held by 40 shareholders, each of whom is an Independent Third Party save for Mr. Zhao Chengbin (趙成斌) who is uncle in law of Ms. Zhu Jiali (an executive Director) and indirectly held less than 0.5% of the total equity interests of Shandong Lcang as at the Latest Practicable Date.

Lehang Boundless is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the provision of cross-border transportation services. As at the Latest Practicable Date, Lehang Boundless is wholly-owned by the Company.

Information on Blue Anchor

Blue Anchor is a company incorporated in Liberia with limited liability and is principally engaged in global container shipping and logistics services operations communication. As at the Latest Practicable Date, Blue Anchor is owned by MEDITERRANEAN SHIPPING COMPANY, known as MSC. MSC is a company incorporated under the laws of Switzerland which is a privately-owned organization driven by the Aponte family and it is principally engaged in global container shipping and logistics services.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Blue Anchor and its ultimate beneficial owners are Independent Third Parties as at the Latest Practicable Date.

Information on China Shipbuilding and Jiangnan Shipyard

China Shipbuilding is a corporation organized and existing under the laws of the PRC and is principally engaged in the trading of ships and related equipment. China Shipbuilding is indirectly wholly-owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) in the PRC.

Jiangnan Shipyard is a corporation organized and existing under the laws of the PRC and is principally engaged in the construction of ships. Jiangnan Shipyard is a wholly-owned subsidiary of China CSSC Holdings Limited (中國船舶工業股份有限公司), a company listed on Shanghai Stock Exchange (Stock Code: 600150).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, China Shipbuilding and Jiangnan Shipyard and their ultimate beneficial owners are Independent Third Parties as at the Latest Practicable Date.

LISTING RULES IMPLICATIONS

The transactions contemplated under the 2025 Heads of Agreement and the 2025 Novation Agreement will constitute a disposal of the Disposed Vessel by the Group. As one or more of the applicable percentage ratios in respect of thereof exceeds 25% but all of which are below 75%, the transactions contemplated under the 2025 Heads of Agreement and the 2025 Novation Agreement constitute a major transaction for the Company and is subject to the reporting and announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDERS' APPROVAL

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the transactions contemplated under each of the 2025 Heads of Agreement and the 2025 Novation Agreement. As such, no Shareholders would be required to abstain from voting in favour of the resolutions approving the 2025 Heads of Agreement and the 2025 Novation Agreement.

Pursuant to the Acting in Concert Deed, each of Mr. Xu Xin, Ms. Li Yan and Ms. Liu Quanxiang had agreed and confirmed that from the date they became the registered owners and/or beneficial owners of the equity interests in the Group to the date when any of them ceases to be the controlling shareholder of the Company: (a) they had been and would continue to be parties acting in concert and they had agreed to consult with each other and reach a unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, voting and/or commercial decisions, including but not limited to financial and operational matters, of any member of the Group; (b) they had cast and would continue to cast their votes as directors and/or shareholders (as the case may be) unanimously for or against all resolutions in all board and shareholders' meetings and discussions of any member of the Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of the Group. By virtue of the Securities and Futures Ordinance, each of the ultimate controlling shareholders of the Company together with investment holding companies held or controlled by them (being Lecang Boundless Limited, Lecang Fantasy Limited, Grand Sailing Limited, Lecang Altitude Limited, Peace Seaworld Limited, Lecang Shining Limited, Spring Wealth Limited, Lecang Flourishing Limited and Glorious Sailing Limited) are all deemed to be interested in the total Shares directly held by Lecang Fantasy, Lecang Altitude Limited, Lecang Shining Limited, Lecang Flourishing Limited and Glorious Sailing Limited.

Accordingly, Mr. Xu Xin, Ms. Li Yan and Ms. Liu Quanxiang are entitled to exercise voting rights in 317,106,588 Shares, representing approximately 55.39% of the existing issued share capital of the Company.

On 30 December 2025, the Company obtained an irrevocable and unconditional written approval for the 2025 Heads of Agreement and the 2025 Novation Agreement and the transactions contemplated thereunder in accordance with Rule 14.44 of the Listing Rules from Lecang Altitude Limited, Lecang Fantasy, Glorious Sailing Limited, Lecang Shining Limited and Lecang Flourishing Limited, being the beneficial owners of 317,106,588 Shares, representing approximately 55.39% of the existing issued share capital of the Company as at the Latest Practicable Date. Accordingly, the 2025 Heads of Agreement and the 2025 Novation Agreement and the transactions contemplated thereunder have been approved by the Shareholders by way of written Shareholders' approval in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the 2025 Heads of Agreement and the 2025 Novation Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole. If a general meeting were to be convened by the Company to consider and approve the 2025 Heads of Agreement and the 2025 Novation Agreement, the Board would recommend the Shareholders to vote in favour of the resolution to approve the 2025 Heads of Agreement and the 2025 Novation Agreement.

ADDITIONAL INFORMATION

Your attention is also drawn to the appendices of this circular.

Yours faithfully,
By order of the Board
LC Logistics, Inc.
Mr. Xu Xin
Chairman of the Board

(1) FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (https://www.lcang.com/):

- Annual report of the Company for the year ended 31 December 2023 (pages 100 to 190) https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0423/2024042301216.pdf

- Annual report of the Company for the year ended 31 December 2024 (pages 128 to 220) https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0422/2025042201625.pdf

- Interim report of the Company for the six months ended 30 June 2025 (pages 19 to 38) https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0912/2025091200347.pdf

(2) INDEBTEDNESS

As at the close of business on 30 November 2025, being the latest practicable date for the purpose of this indebtedness statement, (i) the Group had outstanding interest-bearing bank borrowings of RMB13,000,000, of which RMB10,000,000 were unsecured and guaranteed by a non-controlling shareholder of a subsidiary and independent third parties, and RMB3,000,000 were unsecured and guaranteed by non-controlling shareholders of a subsidiary and independent third parties; the Group had other borrowings of approximately RMB26,806,000 which were unguaranteed and secured by mortgages over the dry bulk vessel with a net carrying amount of approximately RMB50,888,000; (ii) the Group had outstanding lease liabilities of approximately RMB58,191,000, and the lease liabilities represent the present value of outstanding lease payments under the lease agreements; (iii) the Group did not have any contingent liabilities.

Save as aforesaid, and apart from intra-group liabilities, at the close of business on 30 November 2025, the Group had no other outstanding mortgages, charges, debentures or other loan capital or bank overdrafts or loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance (other than normal trade bills) credits, debt securities, guarantees or other material contingent liabilities.

(3) FINANCIAL AND TRADING PROSPECTS

The Group continues to operate in the cross-border logistics service and ship leasing sectors, maintaining and operating a fleet of vessels throughout the current fiscal year. The Board expects that, with the available cash on hand, and accessible credit facilities, the Group possesses sufficient financial resources to meet its commitments and working capital requirements. However, the Group recognizes certain special trade factors and risks that may impact its financial and operational performance. These include fluctuations in global trade volumes, changes in international shipping regulations, and volatility in fuel prices, which

could affect operating costs and profitability. Additionally, geopolitical tensions and economic uncertainties in key markets pose potential challenges to trade flows and demand for logistics services. To mitigate these risks, the Group is actively monitoring market conditions and adjusting its strategies accordingly. The Board remains confident in the Group's ability to navigate these challenges and capitalize on opportunities to ensure sustained growth and financial stability in the upcoming fiscal period.

(4) WORKING CAPITAL

The Directors are of the opinion that after taking into account its internal resources, the existing available credit facilities, the indebtedness statement of the Group as set out in the section headed "(2) INDEBTEDNESS" above, the 2025 Heads of Agreement and the 2025 Novation Agreement, the Group has sufficient working capital for its present requirements for the next twelve-month period from the date of this circular.

The Company has obtained a letter from its auditor confirming the statement above has been made by the Directors after due and careful enquiry.

Appraisal Report of Value After Completion of a Ship Under Construction (The Jiangnan Shipyard Number HULL NO. H2872) For Asset Disposal by BAL Container Line Co., Limited

Text

HJLPBZ (2025) No. 1182

BAL Container Line Co., Limited:

In accordance with relevant laws, administrative regulations, and asset appraisal standards, we adhere to the principles of independence, objectivity, and justice. We adopt the cost method and follow the necessary appraisal procedures for a ship under construction at Jiangnan Shipyard, numbered HULL NO. H2872. The market value after completion has been assessed. The asset appraisal situation is now reported as follows:

I. INTRODUCTION TO THE CLIENT, THE PROPERTY RIGHT HOLDER AND OTHER USERS OF THE APPRAISAL REPORT DESIGNATED IN THE ENGAGEMENT LETTER

(i) Client

Name: **BAL Container Line Co., Limited**

Registration place: Hong Kong, China

Registration Certificate No.: 60222474-000-08-23-0

(ii) Property Right Holder

The Client of this Appraisal, BAL Container Line Co., Ltd., is also the Property Right Holder.

(iii) Other Users of the Report Designated in the Engagement Letter

No users other than those permitted by relevant laws and regulations for economic activities are provided for in this report.

II. PURPOSE OF ASSET APPRAISAL

BAL Container Line Co., Ltd. proposes to dispose of a ship under construction (The Jiangnan Shipyard Number HULL NO. H2872), and has commissioned Shanghai Gillion Asset Appraisal Co., LTD to estimate the value after completion of the ship involved in this economic transaction and to issue a professional opinion.

III. TARGET AND SCOPE OF APPRAISAL

The target of this appraisal is the value of a ship completed built by Jiangnan Shipyard; the scope of the appraisal encompasses the proposed disposal of a 14,000 TEU container ship (Jiangnan Shipyard number HULL NO. H2872).

The Contract Price of the Appraised Ship is USD144,800,000.00. As of the date of this report, the Net Book Value of the Appraised Ship, representing payments made according to the contractually agreed construction schedule, totals USD43,440,000.00.

The relevant construction parameters are as follows:

Item	**Parameter**
Vessel Type	Container Ship
Manufacturer	Jiangnan Shipyard
Principal Dimensions	335m × 51m × 30 m
Designed Draft	Approximately 117,700 metric tons
Scantling Draft	Approximately 155,000 metric tons
Material	steel
Service Speed	22.0 knots
Main Engine Type	WinGD 8X92-B LLT, LPSCR
Continuous Service Rating	37,800kW × 74.0RPM
Side Thruster	Tunnel type, with a capacity of approx. 3,000 kW
Auxiliary Engine	3,800 kW x 2 sets, 4,300 kW x 2 sets
Lifeboat Equipment	Lifeboats, liferafts, lifebuoys

The contract for the construction of the commissioned vessel was signed in June 2024 for construction by Jiangnan Shipyard with a planned construction schedule as shown in the table below:

Hull No.	**Steel Cutting**	**Keel Laying**	**Launching**	**Sea Trial**	**Estimated Delivery Date**
H2872	2025/7/28	2026/5/15	2026/8/11	2026/10/12	2026/11/09

The aforementioned targets and scope of appraisal are the same as the targets and scope of appraisal involved in economic behaviors.

IV. TYPE AND DEFINITION OF VALUE

Type of Value and Definition: In accordance with the objectives of this appraisal, the value type in question is the market value. Market value is the estimated worth of the appraisal subject for a typical arms-length transaction on the appraisal date, assuming that both a willing buyer and a willing seller are acting rationally and without duress.

This value type is selected for the appraisal primarily based on the appraisal objectives, market conditions, assumptions, and the specific circumstances of the appraisal subject. It is important to note that the value of the same asset can vary across different markets.

V. APPRAISAL BASE DATE

Considering the specific circumstances of the assets under appraisal, the base date for this appraisal has been set as the completion and delivery date of the vessel under appraisal, which is November 9, 2026. This decision was made by mutual agreement between the Appraisal Agency and the Client, in order to accurately reflect the market value of the appraisal subject and to facilitate the smooth achievement of the **Validity Period** objectives for this project.

The appraisal assumes that the pricing standards, interest rates, exchange rates, and tax rates at the future base date will be consistent with those at the report date. All pricing standards, interest rates, exchange rates, and tax rates applied in this appraisal are as effective as of the report date.

VI. BASES FOR REFERENCE

(i) Basis of Laws and Regulations

1. Asset Appraisal Law of the People's Republic of China (Order of the President of the People's Republic of China promulgated in 2016)

2. The Civil Code of the People's Republic of China (Order No. 45 of the President of the People's Republic of China on October 15, 2020)

3. Other pertinent laws and regulations

(ii) Bases of Appraisal Standards

1. The basic Standards for Asset Appraisal (Capital (2017) No. 43)

2. The Assets Appraisal Professional Ethics Standards (China Appraisal Association (2017) No. 30)

3. The Assets Appraisal Standards-Asset Appraisal procedures (China Appraisal Association (2018) No. 36)

4. The Assets Appraisal Standards-Asset Appraisal Report (China Appraisal Association (2018) No. 35)

5. The Assets Appraisal Standards-Asset Appraisal Entrustment Contract (China Appraisal Association (2017) No. 33)

6. The Assets Appraisal Standards-Asset Appraisal Archives (China Appraisal Association (2018) No. 37)

7. The Assets Appraisal Standards-Machinery and Equipment (China Appraisal Association (2017) No. 39)

8. The Assets Appraisal Standards-Asset Appraisal Method (China Appraisal Association (2019) No. 35)

9. The Guiding Opinions for Types of Value under Asset Appraisal (China Appraisal Association (2017) No. 47)

10. The Guiding Opinions of Certified Assets Appraiser on Legal Authority of Appraisal Object (China Appraisal Association (2017) No. 48)

11. The Guiding Opinions of Business Quality Control of Asset Appraisal Institutions (China Appraisal Association (2017) No. 46)

(iii) Basis of Ownership

1. Purchase contract

2. Proof of payment of the deposit, as agreed in the construction contract

3. Letter of commitment from the Client and the Property Right Holder

4. Other documents proving property rights

(iv) Basis of Pricing

1. Local rules and regulations on pricing and charging standards

2. Statistics materials issued by relevant government authorities

3. *Common Methods and Parameter Handbook for Asset Appraisal* (China Machine Press)

4. Related price indices and related research reports

5. Interest rate, exchange rate, and tax rate in effect as of the report issuance date

6. Various appraisal-related evidence materials collected by the appraisers

VII. METHOD OF APPRAISAL

(1) Adaptability Analysis of Method of Appraisals

Generally, there are three methods for appraising enterprise value: the market method, the income method, and the cost method. These three fundamental methods measure asset value from different perspectives. Theoretically, in a perfect market, the results yielded by the three methods should be nearly identical. However, due to market conditions, the purpose of the appraisal, the target being evaluated, the information available, and differing opinions, the outcomes of these methods can vary significantly.

Given the scarcity of public trading cases for similar assets in the market, quantifying the expected return is challenging, and predicting the return period with reasonable accuracy is also difficult. Consequently, the market method and the income method are not applicable for this appraisal.

Based on the aforementioned applicability analysis, the regulations governing asset appraisal principles, and the specific circumstances of the asset under evaluation, the cost method has been selected to determine the asset's value. The Appraisers have analyzed the preliminary valuation conclusions and have developed reasonable final conclusions. This development was based on a comprehensive assessment of the reasonableness of the preliminary conclusions, as well as the quality and quantity of the data utilized.

(2) Introduction to Appraisal Methods

A market survey has been conducted to inquire and determine the market price of the vessel as of the base date. Additionally, other costs associated with the purchaser have been taken into account to calculate the full replacement value of the vessel.

Calculation Formula: The appraisal value is determined by the sum of the replacement cost on the base date, management costs, and capital costs.

VIII. IMPLEMENTATION PROCESS AND CONDITIONS OF APPRAISAL PROCEDURES

1. To obtain an understanding of the general information about the appraisal target, the purposes of the appraisal, and the conditions of the project, and to conduct a preliminary risk assessment.

2. To accept the appraisal commission, negotiate the scope and objectives of the appraisal in line with the appraisal purpose, determine the appraisal date, enter into an asset appraisal engagement letter with the Client, and establish relevant agreements.

3. To form an appraisal project team and develop an appraisal plan.

4. To instruct the Holder to inspect the appraisal target, complete the asset inspection list, and prepare and provide various materials necessary for the appraisal.

5. To visit the asset site to hear from relevant parties about the history and current status of the asset and the appraisal target, verify the ownership and cost data of the main assets under evaluation, inspect the physical objects according to the content and quantity listed in various asset appraisal declaration forms completed by the Holder, verify the content and data of various documents and financial vouchers of the Holder through testing, and obtain evidence if necessary.

6. To collect relevant information on market prices and relevant parameter data based on the appraisal objectives, conditions at the appraisal site, and the Holder's detailed information, and to evaluate the appraisal target.

7. The appraisal project team collects and analyzes data according to the preliminary appraisal results for the appraisal target to avoid repetition or omission, and then makes adjustments, corrections, and improvements to the preliminary appraisal results.

8. To draft an asset appraisal report based on the appraisal progress, analyze the improved appraisal results, and after a 3-level internal review and receiving the Client's feedback, issue a formal asset appraisal report to the Client.

IX. ASSUMPTIONS

According to the requirements of the asset appraisal standards, the Appraisers have identified the following assumptions to exist as of the appraisal base date. In the event of significant changes in the economic environment thereafter, the Appraisers will not be responsible for any different appraisal results deduced due to changes in these assumptions.

(1) Basic Assumptions

1. Trading Assumption

The trading assumption is that all assets to be evaluated are already in the process of being traded, and the asset appraiser evaluates the value based on the simulated market conditions of the assets to be evaluated. The trading assumption is one of the most fundamental assumptions in asset appraisal.

2. Open-Market Assumption

The open-market assumption pertains to the market conditions under which the asset is intended to be transacted and the influences it will be subject to under such conditions. An open market refers to a fully developed and perfect market with voluntary buyers and sellers in a competitive environment. In this market, buyers and sellers of equal status have ample opportunity to obtain market information and time, and transactions are voluntary, rational, and free from coercion or restrictions. The open-market assumption is based on the premise that assets can be publicly bought and sold in the market.

(2) General Assumptions

1. This appraisal assumes that there will be no unforeseeable and significant adverse changes in the external economic environment after the valuation reference date, including the relevant national laws, macroeconomic, financial, and industrial policies. It also assumes that there will be no other significant impacts from factors that are both human-irresistible and unforeseeable.

2. The appraisal does not consider any mortgage or guarantee matters that the evaluated assets may be subject to, nor the price that may be paid by special transaction methods, which could affect the appraisal conclusion.

3. No significant changes are expected in the socio-economic environment where the property right Holder is located, nor in the fiscal policies such as taxation and tax rates. Additionally, it is assumed that financial policies, including credit policies, interest rates, and exchange rates, will remain essentially stable.

4. The assets subject to appraisal are to be valued based on their actual inventory as of the appraisal base date, and their current market value should reflect the effective prices in China on that date.

(3) Special Assumptions

1. Assumption that the Appraised Ship can be completed within the scheduled period and delivered according to the stipulated requirements.

2. The appraisal assumes that the cost standards for the future appraisal base date will be consistent with the interest rate, exchange rate, and tax rate on the report date.

X. APPRAISAL CONCLUSION

After appraisal, under the existing assumptions, the appraised value of the ship, upon completion on the appraisal base date of November 9, 2026, is RMB1189.18 million, amounting to USD168.0274 million (calculated at the exchange rate on the report date).

The Appraisal Conclusion of this Appraisal Report is valid from the date of the report to the delivery date of the Appraised Ship (i.e., valid between December 9, 2025 and November 9, 2026).

XI. EXPLANATORY NOTES ON SPECIAL ISSUES

(i) For the purpose of this Report, 'Appraised Value' refers to the market value determined on the principle of a public market under the prevailing external economic conditions on the appraisal base date. This value presumes that the evaluated assets are being used, and will continue to be used, for their existing purposes, without regard to potential future mortgages, guarantees, or the effects on appraisal from contingent additional prices due to special transaction methods. Meanwhile, the Report does not take into account the effects on the value of the evaluated assets from significant changes in state macro-economic policies, acts of God, or other force majeure events.

(ii) The appraisal results do not consider the potential impacts of taxes and duties that may be imposed due to increases or decreases in the value of the asset appraisal.

(iii) In the event of relevant flaws in the Company that could affect the results of the asset appraisal, and if the Company has not provided special instructions, and the Appraisers, based on their working experience, cannot identify such issues, neither the Asset Appraisal Agency nor the Appraisers will assume any liabilities arising therefrom.

(iv) The following are relevant matters that may affect the appraisal conclusions but are beyond the scope of the appraisal practice level and ability:

1. The exchange rate adopted in this appraisal on the date of this report is the central parity rate of US dollar against RMB at 7.0773.

2. Since the appraisal base date is a future date, the cost standard, interest rate, exchange rate, and tax rate are assumed to be the same as those on the report date. The assumption that the vessel can be completed and delivered within the planned period does not constitute a guarantee for the construction timeframe. Users of the Report should pay attention to the above information and make independent judgments.

3. As of the appraisal base date, the entity undertaking the appraisal has promised that there are no material issues such as mortgages, guarantees, litigation, or contingent liabilities in the assets appraised that could affect the appraisal results.

Up to the date of the Appraisal Report, the Appraisers have not discovered, and the Client has not reported, any special issues that may affect the appraisal conclusions and should be expressly announced.

Special issues may affect the appraisal conclusions. Users of the Report are expected to pay attention to these special issues.

XII. LIMITS ON USE

1. The Report may be used by the Client and the users designated herein solely for the purposes of appraisal listed herein and may be submitted to the competent property appraisal authority for review. The Client reserves the right to use the Report. Except for required submissions to relevant government authorities or necessary disclosures in accordance with the law, neither the Asset Appraisal Agency nor the Client may extract, quote, or disclose any content hereof to any public media without the other party's permission.

2. The Client or other users of the asset appraisal Report shall use the Report in accordance with the provisions of the laws, administrative regulations, and the scope stated in the asset appraisal Report. If the Client or other users violate the aforementioned provisions in the use of the asset appraisal Report, the asset appraisal agency and the asset appraisal professionals shall not be held liable.

3. The asset appraisal Report shall be used by the Client, other users of the Report, and the users as prescribed by laws and administrative regulations. Additionally, no other institution or individual may use the asset appraisal Report.

4. The asset appraisal agency and asset appraisal professionals suggest that the users of the asset appraisal Report should correctly understand the appraisal conclusions. The appraisal conclusion is not the same as evaluating the price of a consulting object and should not be considered a guarantee for evaluating the price of a consulting object. The appraisal conclusions shall not be directly applied to major issues that occur within the term hereof.

5. Should there be significant changes after the issuance date of the appraisal Report and within its validity period, the appraisal conclusion cannot be used directly. If there are any changes in the quantity of assets after the appraisal date and within the validity period of the appraisal results, the asset amounts should be adjusted according to the original appraisal methodology. Additionally, if there are any changes in the assets' price standards, the Client should make corresponding adjustments based on the actual valuation of the assets. However, if there is a significant impact on the appraisal price of the assets, the Client must promptly engage an appraisal institution to re-determine the appraisal value.

6. When policy adjustments significantly impact the appraisal conclusions, a new appraisal base date should be established for the reappraisal.

7. The Asset Appraisal Agency issuing the Report reserves the right to express and interpret the Report. Unless otherwise provided for in laws and regulations, no other unit or department shall have the right of interpretation.

XIII. REPORT DATE

The Appraisal Report is issued on December 9, 2025.

XIV. ASSET APPRAISAL AGENCY

Shanghai Gillion Asset Appraisal Co., LTD provides the asset appraisal services.
Office address: 36th Floor, New Shanghai International Tower, 360 South Pudong Road, Pudong New Area, Shanghai.
Post code: 200120
Tel.: 021-65191788

EXPLANATIONS ON THE VALUE APPRAISAL TECHNIQUES UPON COMPLETION OF HULL NO. H2872 OF JIANGNAN SHIPYARD

Based on the book list of the assets to be appraised provided by the property right holders, the appraisal professionals of the Company have conducted a comprehensive check, review and appraisal of the assets, and the cost method has been adopted as the appraisal method. The details of the appraisal are as follows:

I. INTRODUCTION TO APPRAISAL METHODS

Through market research, inquire and determine the market price of the vessel on the appraisal date, and consider the other costs associated with the buyer to obtain the full replacement price of the vessel.

Calculation Formula: The appraisal value is determined by the sum of the replacement cost on the base date, management costs, and capital costs.

The appraisal is based on the following special assumptions:

1. Assumption that the Appraised Ship can be completed within the scheduled period and delivered according to the stipulated requirements.

2. The appraisal assumes that the cost standards for the future appraisal base date will be consistent with the interest rate, exchange rate, and tax rate on the report date.

II APPRAISAL PROCESS

1. Determination of the full replacement price

1.1 The purchase price of new vessels

The main factors affecting the price of vessels are: market supply and demand, steel prices, exchange rate fluctuations and other factors.

In terms of the market: In 2024, China's shipbuilding completion volume, new orders received, and order backlog accounted for 55.7%, 74.1%, and 63.1% of the global market share, respectively, ranking first globally for 15 consecutive years. New orders received increased significantly by 58.8% year-on-year, and the contract value hit a historical record. Furthermore, among 18 major ship types globally, China ranked first in new orders received for 14 types. The industry advantage further expanded in 2025; as of the end of June, China's shipbuilding industry had undertaken 64.2% of global new ship orders during the "14th Five-Year Plan" period, ranking first globally for 16 consecutive years. The operating revenue profit margin for large-scale ship enterprises rose to 9.71%, marking a significant improvement in profitability.

In terms of materials: Recent steel prices have shown minor fluctuations but remain relatively stable.

In terms of the exchange rate: Since the signing date of the vessel contract, there has been no significant fluctuation in the exchange rate between the US dollar and the Chinese yuan.

In summary, the sharp increase in order volume in recent years, as well as the relatively stable prices and exchange rates of raw materials such as steel, resulting in the continuous growth in the profitability of shipping enterprises and the high prosperity of the vessels market.

The construction contract price for the Appraised Ship is USD144,800,000.00. For ships of the same specifications, prices can vary due to differences in the components used in various parts of the ship. In this appraisal, the new shipbuilding cost is determined by applying an index adjustment to the contract price.

After inquiring about the China Newbuilding Price Index, the containership index in June 2024, when the original purchase was made, was 1,091, while the index in November 2025 was 1,105, and upon inquiring, the index was found to be dominated in USD, so the revision was made directly based on the newbuilding price in USD:

Newbuilding price = 14,480 × (1,105/1,091) = 14,480 × 1.0128 = 14,665.34 (ten thousand of USD)

Based on the central parity rate of US dollar against RMB, which was 7.0789 on November 30, 2024, the index date, the newbuilding price was RMB103,814.48 million.

1.2 Other relevant costs and expenses of the buyer (shipowner)

As researched, the other costs and expenses of the buyer are management costs and capital costs.

① *Management costs*

Management costs are mainly related to docking with shipyards, coordination details and supervision, and the proportion of this part of the amount can be neglected in view of the large size of the vessels.

② *Capital costs*

Capital costs are related to the capital return transferred from prepayments at the earlier stage by the buyer.

The payment milestones and payment ratios specified in the originally signed contract are as follows: 20% of the payment shall be made upon contract signing, 10% upon the commencement of the steel cutting phase, 10% during the keel laying phase, and the remaining 60% upon final delivery.

In view of the high total shipbuilding price, the long shipbuilding cycle, and as the financial leverage is generally not available for prepayments, the buyer bears great financial pressure at the earlier stage. Meanwhile, the order volume of major shipyards has currently increased significantly and the schedule is long. Based on market research and interviews with shipyards, it currently takes at least 4 years from the signing of the contract to the delivery of the vessel. Therefore, the appraisal of the capital costs is determined as follows based on a reasonable market cycle and the current return on invested capital (or ROIC) (10.77%, TTM Data for November 2025) of the shipping industry:

Unit: RMB ten thousand

Payment nodes	Total shipbuilding price	Percentage	Amounts	Reasonable period before delivery (years)	Capital costs
Initial payment	103,814.48	20%	20,762.90	4.50	10,491.77
steel cutting		10%	10,381.45	3.00	3,726.96
Keel laying		10%	10,381.45	0.80	884.90
Delivery		60%	62,288.69	0	–
Total					15,103.63

In summary, the total value of the vessel upon completion is:

Full replacement price = 103,814.48 + 15,103.63
= 118,918.00 (RMB ten thousand rounded)

The amount converted into US dollars is USD1,68,027,400 based on the exchange rate of 1 US dollar to 7.0773 Chinese yuan on the date of report issuance.

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 circular misleading.

DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of each Director and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its specified undertakings, and associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Name of Director	**Nature of Interest**	**Number of Shares or underlying Shares**[*(Note 1)*]	**Approximate percentage of shareholding**[*(Note 1)*]
Mr. Xu Xin	Founder of a discretionary trust	229,289,424	40.05%
	Interest of spouse	39,232,644	6.85%
	Other[*(Note 2)*]	48,584,520	8.49%
Ms. Li Yan	Interest in controlled corporations	39,232,644	6.85%
	Interest of spouse	229,289,424	40.05%
	Other[*(Note 3)*]	48,584,520	8.49%

Note 1: As at the Latest Practicable Date, the Company issued 572,538,312 Shares. The letter (L) denotes the entity's long position in the relevant Shares.

Note 2: The shares are held by Lecang Flourishing Limited under the Liu Family Trust. Ms. Liu Quanxiang is the settlor of the Liu Family Trust and the mother-in-law of Mr. Xu Xin.

Note 3: The shares are held by Lecang Flourishing Limited under the Liu Family Trust. Ms. Liu Quanxiang is the settlor of the Liu Family Trust and the mother of Ms. Li Yan.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its specified undertakings, and associated corporations (within the meaning of Part XV of the SFO) which is required to be recorded and kept in the register in accordance with Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

As at the Latest Practicable Date, (i) none of the Directors has any existing or proposed service contracts with any member of the Group not determinable by the Company within one year without payment of compensation (other than statutory compensation); (ii) none of the Directors or their respective associates has any interests in any company or business which competes or may compete with the businesses of the Group; (iii) save for the Novation as disclosed in this circular, none of the Directors has or has had direct or indirect interest in any assets acquired or disposed of by or leased to or by or proposed to be acquired or disposed of by or leased to or by any member of the Group since the date to which the latest published audited annual financial statements of the Group were made up; and (iv) there is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) have, or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholders	**Nature of Interest**	**Number of Shares or underlying Shares*(Note 1)***	**Approximate percentage of shareholding*(Note 1)***
Trident Trust Company (B.V.I.) Limited*(Note 3)*	Trustee	200,377,164 (L)	35.00%
Marco Target Development Limited*(Note 3)*	Interest in controlled corporation	151,792,644 (L)	26.51%
Lecang Altitude Limited*(Notes 2, 3)*	Beneficial owner	151,792,644 (L)	26.51%
Peace Seaworld Limited*(Notes 2, 4)*	Interest in controlled corporation	39,232,644 (L)	6.85%

Name of shareholders	Nature of Interest	Number of Shares or underlying Shares(Note 1)	Approximate percentage of shareholding(Note 1)
Lecang Shining Limited(Notes 2, 4)	Beneficial owner	39,232,644 (L)	6.85%
Ms. Liu Quanxiang(Notes 2, 5)	Interest in controlled corporation	317,106,588 (L)	55.39%
Fortune Sino Worldwide Limited(Note 5)	Interest in controlled corporation	48,584,520 (L)	8.49%
Lecang Flourishing Limited(Notes 2, 5)	Beneficial owner	48,584,520 (L)	8.49%
Glorious Sailing Limited(Note 6)	Beneficial owner	60,505,200 (L)	10.57%

Notes:

1. As at the Latest Practicable Date, the Company issued 572,538,312 Shares. The letter (L) denotes the entity's long position in the relevant Shares.

2. Pursuant to the Acting in Concert Deed, each of Mr. Xu Xin, Ms. Li Yan and Ms. Liu Quanxiang had agreed and confirmed that from the date they became the registered owners and/or beneficial owners of the equity interests in the Group to the date when any of them ceases to be the controlling shareholder of the Company: (a) they had been and would continue to be parties acting in concert and they had agreed to consult with each other and reach a unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, voting and/or commercial decisions, including but not limited to financial and operational matters, of any member of the Group; (b) they had casted and would continue to cast their votes as directors and/or shareholders (as the case may be) unanimously for or against all resolutions in all board and shareholders' meetings and discussions of any member of the Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of the Group. By virtue of the SFO, each of the ultimate controlling shareholders of the Company together with investment holding companies held or controlled by them (being Lecang Boundless Limited, Lecang Fantasy Limited, Grand Sailing Limited, Lecang Altitude Limited, Peace Seaworld Limited, Lecang Shining Limited, Spring Wealth Limited, Lecang Flourishing Limited and Glorious Sailing Limited) are all deemed to be interested in the total Shares directly held by Lecang Fantasy Limited, Lecang Altitude Limited, Lecang Shining Limited, Lecang Flourishing Limited and Glorious Sailing Limited.

   Lecang Fantasy Limited is wholly owned by Lecang Boundless Limited, which is in turn wholly owned by Mr. Xu Xin. By virtue of the SFO, each of Mr. Xu Xin and Lecang Boundless Limited is deemed to be interested in the 16,991,580 Shares held by Lecang Fantasy Limited.

3. Lecang Altitude Limited is owned as to 99% by Marco Target Development Limited and 1% by Grand Sailing Limited. Marco Target Development Limited is wholly owned by Trident Trust Company (B.V.I.) Limited which is the trustee of the Xu Family Trust set up by Mr. Xu Xin. Accordingly, each of Mr. Xu Xin, Trident Trust Company (B.V.I.) Limited and Marco Target Development Limited is deemed under the SFO to be interested in the Shares directly held by Lecang Altitude Limited.

4. Lecang Shining Limited is wholly owned by Peace Seaworld Limited, which is in turn wholly owned by Ms. Li Yan. Accordingly, each of Ms. Li Yan and Peace Seaworld Limited is deemed under the SFO to be interested in the Shares directly held by Lecang Shining Limited.

5. Lecang Flourishing Limited is owned as to 99% by Fortune Sino Worldwide Limited and 1% by Spring Wealth Limited. Fortune Sino Worldwide Limited is wholly owned by Trident Trust Company (B.V.I.) Limited which is the trustee of the Liu Family Trust set up by Ms. Liu Quanxiang. Accordingly, each of Ms. Liu Quanxiang, Trident Trust Company (B.V.I.) Limited and Fortune Sino Worldwide Limited is deemed under the SFO to be interested in the Shares directly held by Lecang Flourishing Limited.

6. Glorious Sailing Limited is owned as to approximately 79.53% by Mr. Xu Xin (a Controlling Shareholder and executive Director), 4.96% by Ms. Zhu Jiali (朱佳麗) (an executive Director), 3.97% by Mr. Zhang Feng (張峰) (a senior management member), 0.50% by Ms. Ding Sujun (丁素君) (the joint company secretary) and 11.04% by other 10 existing employees of the Group, each of whom is an Independent Third Party save for being an employee of the Group. By virtue of the SFO, Mr. Xu Xin is deemed to be interested in the Shares held by Glorious Sailing Limited.

Save as disclosed herein, as at the Latest Practicable Date, the Company has not been notified of any person (other than Directors or chief executives of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of other material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Group were made up.

LITIGATION

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

EXPERTS AND CONSENTS

The qualification of the expert who has given opinions and advice in this circular is as follows:

Name	**Qualification**
Shanghai Gillion Assets Appraisal Co., Ltd.	Professional valuer

As at the Latest Practicable Date, the expert listed above had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and had no direct or indirect interest in any assets acquired or disposed of by or leased to any members 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 accounts of the Company was made up.

The expert listed above has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its expert's statement included in the form and context in which it appears.

MATERIAL CONTRACTS

Set out below are the material contracts (not being contracts entered into in the ordinary course of business) entered into by the members of the Group within the two years immediately preceding the date of this circular:

(1) two novation agreements dated 28 June 2024, entered into among Bal Container, Lehang Boundless, Jiangnan Shipyard and China Shipbuilding in relation to the novation of shipbuilding agreements dated 10 June 2022, details of which are disclosed in the announcement of the Company dated 28 June 2024;

(2) two heads of agreements dated 3 July 2024, entered into among Lehang Boundless, Shandong Lcang, Laudine Oceanway Limited (for the vessel with Hull No. H2789), Aludra Oceanway Limited (for vessel with Hull No. H2790) and Conglomerate Maritime Limited S.A. in relation to the novation of shipbuilding agreements dated 10 June 2022 in the aggregate amount of US$133.3 million, details of which are disclosed in the announcement and circular of the Company dated 3 July 2024 and 26 July 2024 respectively;

(3) two novation agreements dated 3 July 2024, entered into among Lehang Boundless, Laudine Oceanway Limited (for the vessel with Hull No. H2789), Aludra Oceanway Limited (for vessel with Hull No. H2790), Jiangnan Shipyard and China Shipbuilding in relation to the novation of shipbuilding agreements dated 10 June 2022, details of which are disclosed in the announcement and circular of the Company dated 3 July 2024 and 26 July 2024 respectively;

(4) two heads of agreements dated 2 September 2024, entered into among Lecang Fantasy and Bal Container (for the vessel with Hull No. H2871 and H2872) in relation to the novation of shipbuilding agreements dated 6 June 2024, details of which are disclosed in the announcement and circular of the Company dated 2 September 2024 and 23 September 2024; and

(5) two novation agreement dated 2 September 2024, entered into among Lecang Fantasy, Bal Container, China Shipbuilding and Jiangnan Shipyard (for the vessel with Hull No. H2871 and H2872) in relation to the novation of shipbuilding agreements dated 6 June 2024, details of which are disclosed in the announcement and circular of the Company dated 2 September 2024 and 23 September 2024.

DOCUMENTS ON DISPLAY

Copies of the following documents will be published and displayed on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (https://www.lcang.com/) for a period of 14 days from the date of this circular (both days inclusive):

(i) the 2025 Heads of Agreement;

(ii) the 2025 Novation Agreement;

(iii) the appraisal report prepared by Shanghai Gillion Assets Appraisal Co., Ltd. in relation to the Disposed Vessel, the text of which is set out in Appendix II to this circular; and

(iv) the written consent referred to in the paragraph headed "Experts and Consents" in this appendix.

GENERAL

(a) The joint company secretaries of the Company are Ms. Ng Sau Mei, a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and Ms. Ding Sujun.

(b) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(c) The head office of the Company is situated at 9/F, China Stone Building, 37 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province, PRC.

(d) The principal share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(e) The English text of this circular shall prevail over the Chinese text.