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 **COSCO SHIPPING International (Hong Kong) Co., Ltd.**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

BALLAS CAPITAL

A letter from the Independent Board Committee is set out on page 25 of this circular.

A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 60 of this circular.

A notice convening the SGM to be held at 47/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Thursday, 12 March 2026 at 10:00 a.m. is set out on pages 186 to 187 of this circular. Whether or not you are able to attend and/or vote at the SGM in person, you are requested to complete the enclosed form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

13 February 2026

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

"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 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;
"close associate(s)"	has the meaning ascribed to it in the Listing Rules;
"Company" or "COSCO SHIPPING International"	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(s)"	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 Group"	COSCO SHIPPING, COSCO SHIPPING (Hong Kong) and their respective subsidiaries;
"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 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 Latest Practicable Date, 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;
"Latest Practicable Date"	10 February 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular;
"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 circular, 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;
"EUR"	Euro, the lawful currency of European Union Countries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"JPY"	Japanese Yen, the lawful currency of Japan;
"RMB"	Renminbi, the lawful currency of the PRC;
"SGD"	Singapore dollars, the lawful currency of the Republic of Singapore;
"USD"	United Stated dollars, the lawful currency of the United States; and
"%"	per cent.

* *for identification purposes only*

In this circular, unless otherwise stated, the exchange rate of HK$1 to RMB0.91079 is used for reference only.

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)

Executive Directors:
Mr. Zhu Changyu *(Chairman and Managing Director)*
Mr. Wang Yong

Non-executive Directors:
Mr. Ma Xianghui
Ms. Zhang Xueyan

Independent non-executive Directors:
Mr. Tsui Yiu Wa, Alec
Mr. Jiang, Simon X.
Mr. Kwong Che Keung, Gordon

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and Principal Place of Business:
47th Floor, COSCO Tower
183 Queen's Road Central
Hong Kong

13 February 2026

To the Shareholder(s)

Dear Sir or Madam,

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

BACKGROUND

Reference is made to:

(a) the announcement of the Company dated 3 February 2023 in relation to the formation of the Joint Venture with COSCO SHIPPING Technology; and

(b) the announcement of the Company dated 5 January 2026 in relation to the Capital Increase.

As at the Latest Practicable Date, 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;

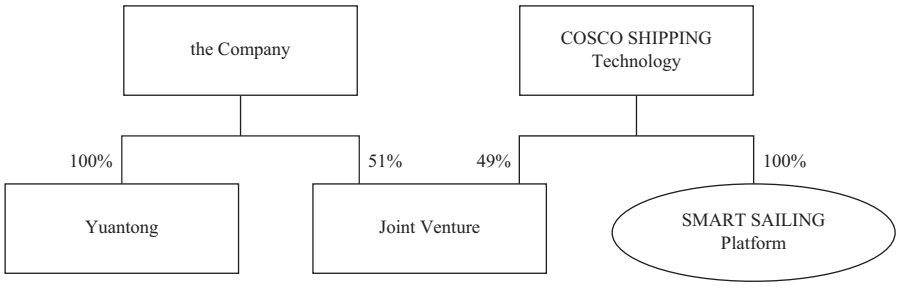
(c) Yuantong will become a direct wholly-owned subsidiary of the Joint Venture; and

(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.

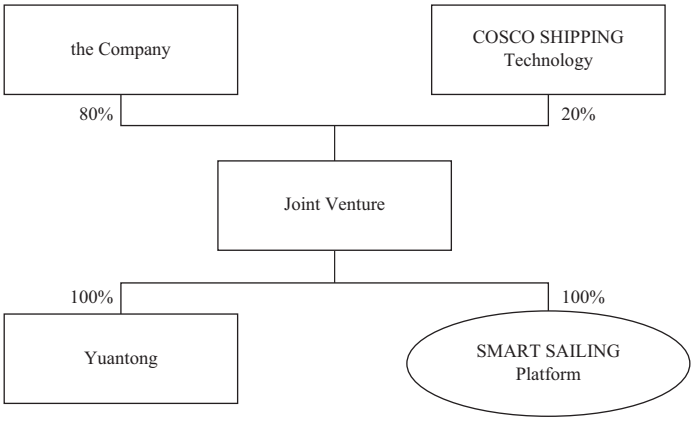
The shareholding structures of the Joint Venture immediately before and upon completion of the Capital Increase are set out below:

	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%**

Immediately before completion of the Capital Increase



Upon completion of the Capital Increase



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 (which was appraised at RMB1,288,895,100 as at the Valuation Reference Date with dividends declared subsequent to the Valuation Reference Date amounting to RMB150,000,000, resulting in an additional capital contribution of RMB1,138,895,100) 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 (which was appraised at RMB53,235,900 as at the Valuation Reference Date). Such additional capital contribution (including both the cash contribution and the transfer of the SMART SAILING Platform) 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 new 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 rights 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 within the relevant time limits:

(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.

If the additional capital contribution by either party (i.e. (i) the Injection by the Company or (ii) the cash contribution and transfer of the SMART SAILING Platform by COSCO SHIPPING Technology) cannot be completed for whatever reasons, it is intended that the Capital Increase Agreement and the other documents executed in relation to the Capital Increase (including the new articles of association of the Joint Venture) will be terminated, in which case, the Capital Increase will not proceed and the parties will negotiate to make necessary adjustments to the Capital Increase and sign a new agreement on that basis.

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 (i.e. as to 80% by the Company and as to 20% by COSCO SHIPPING Technology). 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.

Regarding the allocation of profits and losses during the period from the Valuation Reference Date to the Registration Completion Date in accordance with the post-completion shareholding ratio as mentioned above, the Independent Board Committee has considered the advice of the Independent Financial Adviser (including how the arrangement aligns with the economic interests of the parties and avoids the need for complex and uncertain post-completion price adjustments and how the Valuations have taken into account the financial performance of Yuantong and the Joint Venture) and concur with the view of the Independent Financial Adviser that such arrangement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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 circular; 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.

The Valuations

Summaries of the Valuation Reports

Summaries of the valuation reports of the Joint Venture Valuation, the Yuantong Valuation and the SMART SAILING Platform Valuation are set out in Appendix I, Appendix II and Appendix III to this circular respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, apart from the dividends declared by Yuantong subsequent to the Valuation Reference Date (which have already been taken into account in the determination of the amount of the Capital Increase in the formulae set out in the section headed "Basis for Determination of the Amount of the Capital Increase" in this circular), there is no substantial change in the circumstances of the Joint Venture, Yuantong and the SMART SAILING Platform after the Valuation Reference Date up to the Latest Practicable Date. In addition, pursuant to 《資產評估執業準則—資產評估報告》(Asset Appraisal Practice Standards — Asset Appraisal Report*) issued by the China Appraisal Society and 國務院國有資產監督管理委員會令12號《企業國有資產評估管理暫行辦法》(Interim Measures for the Administration of the Assessment of State-owned Assets of Enterprises (Order of the State-owned Assets Supervision and Administration Commission of the State Council No. 12)*), the conclusions of the Valuations are valid for a period of one year commencing from the Valuation Reference Date and expiring on 30 July 2026. Therefore, the Directors consider that the conclusions of the Valuations remain fair and representative.

Qualifications and Independence of the Valuers

The Directors have reviewed the experience and qualifications of China Tong Cheng and Shanghai Dongzhou, which are summarised below, and are satisfied that they have sufficient experience and qualifications to perform the Valuations.

China Tong Cheng

Pursuant to the relevant requirements under Article 14 of the《財政部關於做好資產評估機構備案管理工作的通知》(財資(2017)26號) ("Notice of the Ministry of Finance on Improving the Administration of the Filing of Asset Valuation Organisations" (Cai Zi [2017] No.26)*), China Tong Cheng is an asset valuation firm which meets the conditions set out in Article 15 of《資產評估法》(the Asset Valuation Law).

China Tong Cheng has undertaken to the Company that (i) they possess the corresponding qualifications to practice; (ii) the valuation target and the scope of valuation are consistent with those stipulated in the letter of engagement for asset valuation; (iii) necessary verification of the valuation target and the assets involved has been carried out; (iv) the valuation methods are selected in accordance with the asset valuation standards; (v) due consideration has been given to the factors affecting the appraised values; (vi) the valuation conclusions are reasonable; and (vii) the valuation has been conducted independently without unlawful interference.

China Tong Cheng has also declared in the valuation reports that China Tong Cheng and its asset valuers (i) adhere to the principles of independence, objectivity and impartiality, and comply with laws, administrative regulations and asset appraisal standards; and (ii) have no existing or anticipated interests in the appraised assets and have no existing or anticipated interests in the relevant parties or bias against the relevant parties.

The asset valuers are 劉暢 (Liu Chang*) and 吳曉霞 (Wu Xiaoxia*), who are both professionally qualified with necessary qualification as members of the China Appraisal Society.

Shanghai Dongzhou

Pursuant to the relevant requirements under《資產評估法》(the Asset Valuation Law),《資產評估行業財政監督管理辦法》(財政部令第86號) ("Measures for Financial Supervision and Administration of the Asset Appraisal Sector" (Cai Zheng Bu Ling No.86)*) and the《財政部關於做好資產評估機構備案管理工作的通知》(財資(2017)26號) ("Notice of the Ministry of Finance on Improving the Administration of the Filing of Asset Valuation Organisations" (Cai Zi [2017] No.26)*), Shanghai Dongzhou is an asset valuation firm which meets the conditions set out in Article 15 of《資產評估法》(the Asset Valuation Law).

Shanghai Dongzhou has undertaken to the Company that (i) the asset valuation process strictly adheres to the requirements of appraisal regulations and normative documents; (ii) the scope of valuation commissioned by the client has been verified to align with the scope of assets provided by the asset holder with no duplication or omission; (iii) reasonable sampling and verification of all assets included in the valuation scope have been conducted in accordance with regulations with no issues identified; (iv) the selected valuation methods have undergone relevance analysis and are appropriate and reasonable with sufficient supporting rationale; (v) the parameters, data, and materials selected are authoritative and reliable, with adjustment factors appropriately considered to fully provide technical support; (vi) key factors influencing the asset valuation are comprehensively considered with no omissions; (vii) the asset valuation is fair and accurately calculated; (viii) all

procedures of the asset valuation work are completed in accordance with established standards; (ix) the asset valuation work is conducted independently without any human interference; and (x) it accepts supervision and inspection by the administrative authorities responsible for valuation.

Shanghai Dongzhou has also declared in the valuation reports that Shanghai Dongzhou and its asset valuers (i) adhere to the principles of independence, objectivity and impartiality, and comply with laws, administrative regulations and asset appraisal standards; and (ii) have no existing or anticipated interests in the appraised asset and have no existing or anticipated interests in the relevant parties or bias against the relevant parties.

The asset valuers are 才亞敏 (Cai Yamin*) and 佘哲超 (Yu Zhechao*), who are both professionally qualified with necessary qualification as members of the China Appraisal Society.

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, since (i) the SMART SAILING Platform consisted of technological products (intangible assets) designed and developed by COSCO SHIPPING Technology internally and the relevant research and development ("**R&D**") costs had

been recognised as expenses by COSCO SHIPPING Technology in its account and (ii) the SMART SAILING Platform did not operate as a separate business entity, it had not recorded separate net profits and its unaudited book value was nil. 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 shipowner'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:

	Immediately before completion of the transfer		**Upon completion of the transfer**	
Name of Shareholder	**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, the Company will significantly strengthen its core business capabilities and strategic positioning. By integrating the SMART SAILING Platform into the core business model of supply chain provider, Yuantong can potentially transform itself from a traditional supply chain distributor into a life cycle "green and digital" solutions provider by embedding artificial intelligence (AI), Internet of Things and data analytics into Yuantong's equipment, service workflows and supply chain interfaces across the life cycle covering building, operation, maintenance of vessels. Through integration with the SMART SAILING Platform, Yuantong is able to enhance the Joint Venture's overall capabilities and embed the SMART SAILING Platform's digital solutions deeply within the extensive COSCO SHIPPING Group ecosystem, thereby securing a foundational customer base, reaching new customers beyond the COSCO SHIPPING organisation and accelerating product-led growth. Furthermore, Yuantong can also expand its service coverage and potential customer base and market itself not only as a marine equipment and spare parts distributor but as a solution provider backed by measured data over the vessel life cycle. The SMART SAILING Platform is strategically positioned to extend its business coverage beyond equipment into new areas such as materials supply, creating new revenue streams and enhancing its value proposition. The collaboration with COSCO SHIPPING Technology empowers the Joint Venture. As the leading organisation of the COSCO SHIPPING Group's full life cycle digital intelligent vessel operation platform, COSCO SHIPPING Technology has accumulated profound experience in platform development and operation, industry insights, and related critical data resources in this field. This cooperation plays a pivotal role in building a core competitive asset, which serves as the foundation for training advanced AI models, delivering unique analytical insights, and developing the "measured data over the vessel life cycle" essential to supporting the new solutions provider business model. Therefore, the Company expects that the integration of Yuantong and the SMART SAILING Platform into the Joint Venture through the Capital Increase will unleash robust synergistic effects, and expand both Yuantong's and the Joint Venture's overall business model 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. In view of the above, the Capital Increase is expected to significantly enhance the Company's overall competitiveness and drive the continued growth of its profitability in the long run.

The Company is unlikely to find an alternative partner on more favorable terms, or at all, other than COSCO SHIPPING Technology. As a subsidiary of COSCO SHIPPING with deep expertise in transportation and shipping technology, COSCO SHIPPING Technology possesses

unique synergies with the Company's business ecosystem, including its proprietary SMART SAILING Platform and long-standing industry resources that are difficult to replicate by third parties. Any alternative partner would lack the seamless alignment with the Company's strategic focus on green, low-carbon, and digital shipping solutions, as well as the ability to provide continuous technical support, operational maintenance, and platform upgrades on terms as favorable as those offered by COSCO SHIPPING Technology. Moreover, the existing cooperative foundation between the two parties, built through the establishment and operation of the Joint Venture, ensures efficient execution of the Capital Increase and post-completion collaboration, which would be challenging to achieve with a new or alternative partner.

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 R&D, support product sales and facilitate industrial 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 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.

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 Latest Practicable Date, 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.

There is set out on pages 186 to 187 of this circular a notice convening the SGM to be held at 47/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Thursday, 12 March 2026 at 10:00 a.m. at which an ordinary resolution will be proposed for the approval of the Capital Increase by the Independent Shareholders.

Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong but in any event not later than forty-eight (48) hours before the time appointed for the holding of the SGM or any adjournment thereof. The completion and return of the enclosed form of proxy will not preclude you from attending and voting at the SGM or any adjournment should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Shareholders whose names appear in the register of members of the Company as at the close of business on Friday, 6 March 2026 are entitled to attend and vote at the SGM. In order to be eligible to attend and vote at the meeting, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 6 March 2026.

In compliance with the Listing Rules and pursuant to the Bye-laws, the votes to be taken at the SGM in respect of the Capital Increase and the transactions contemplated thereunder will be taken by poll, the results of which will be announced after the SGM.

Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, will serve as the scrutineer for the vote-taking.

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the Capital Increase and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. The Independent Board Committee therefore recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Capital Increase and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the letters from the Independent Board Committee and from the Independent Financial Adviser which are respectively set out on page 25 and pages 26 to 60 of this circular. Additional information (including but not limited to the summaries of the reports of the Valuations) is also set out in the Appendices to this circular for your information.

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

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)

13 February 2026

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular dated 13 February 2026 issued by the Company (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider the Capital Increase and the transactions contemplated thereunder and to advise the Independent Shareholders as to the fairness and reasonableness of the same. The Independent Financial Adviser, Ballas Capital Limited, has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

RECOMMENDATION

We wish to draw your attention to the letter from the Board, as set out on pages 5 to 24 of the Circular, and the letter from the Independent Financial Adviser which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the Capital Increase and the transactions contemplated thereunder as set out on pages 26 to 60 of the Circular.

After taking into consideration the advice from the Independent Financial Adviser, we concur with the views of the Independent Financial Adviser and consider that, as far as the Independent Shareholders are concerned, the terms of the Capital Increase and the transactions contemplated thereunder are fair and reasonable, and the Capital Increase and the transactions contemplated thereunder, although not in the ordinary and usual course of business of the Company, are in the interests of the Company and the Shareholders as a whole and are on normal commercial terms. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed in the SGM to approve the Capital Increase and the transactions contemplated thereunder.

Yours faithfully,
Tsui Yiu Wa, Alec
Jiang, Simon X.
Kwong Che Keung, Gordon
Independent Board Committee

BALLAS
CAPITAL

Room 1005, Jubilee Centre
46 Gloucester Road
Wanchai, Hong Kong

13 February 2026

To the Independent Board Committee and
the Independent Shareholders

Dear Sir or Madam,

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

INTRODUCTION

We refer to our engagement (the "**Engagement**") as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of Capital Increase, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company (the "**Circular**") to the Shareholders dated 13 February 2026, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 5 January 2026, the Company, COSCO SHIPPING Technology and COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd. ("**COSCO SHIPPING Smart-Sailing**", i.e. the Joint Venture as defined in the Letter from the Board) entered into the Capital Increase Agreement, pursuant to which (a) the Company shall transfer all its 100% equity interests in Yuantong (a wholly-owned subsidiary of the Company) to COSCO SHIPPING Smart-Sailing ; and (b) COSCO SHIPPING Technology shall transfer the SMART SAILING Platform and make a cash contribution to COSCO SHIPPING Smart-Sailing.

COSCO SHIPPING, being the ultimate holding company of the Company, is a connected person of the Company. COSCO SHIPPING Technology, being a non-wholly owned subsidiary and hence an associate of COSCO SHIPPING, is therefore a connected person of the Company at the issuer level. As such, COSCO SHIPPING Smart-Sailing 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 COSCO SHIPPING Smart-Sailing) 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 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. Furthermore, the Acquisition (being an acquisition by the Company of further equity interests in COSCO SHIPPING Smart-Sailing as a result of the Capital Increase) constitutes 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 independent board committee comprising all independent non-executive Directors, namely Mr. Tsui Yiu Wa, Alec, Mr. Jiang, Simon X. and Mr. Kwong Che Keung, Gordon, has been established to make recommendation to the Independent Shareholders on, among other things, whether or not the Capital Increase is in the interest of the Company and are fair and reasonable so far as the Independent Shareholders are concerned.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company. The Directors have declared in a responsibility statement set out in the Appendix IV to the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained and representations made in the Circular. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the SGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We have reviewed documents including but not limited to the Capital Increase Agreement, the Valuations and the financial reports of the Company. We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, COSCO SHIPPING Technology, COSCO SHIPPING Smart-Sailing or any of their respective subsidiaries or associates.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Ballas Capital Limited ("**Ballas Capital**") is to ensure that such information has been correctly extracted from the relevant sources.

INDEPENDENCE DECLARATION

Within two years prior to the Engagement, Ballas Capital was engaged as the independent financial adviser of the Company in respect of (i) the connected transaction as set out in the circular of the Company dated 6 December 2023, and (ii) the continuing connected transactions as set out in the circular of the Company dated 27 November 2025 (the "**Previous Engagements**"). Other than the professional fees received under the Previous Engagements which were negotiated between the Company and Ballas Capital on an arm's length basis, Ballas Capital has not received any other professional fees from the Company within two years prior to the Engagement.

As the Previous Engagements was for the role of an independent financial adviser to the Company, the Previous Engagements would not affect the independence of Ballas Capital for acting as the independent financial adviser to the Company in respect of the Capital Increase. As at the Latest Practicable Date, we are not aware of any relationships or interests between Ballas Capital and the Company or any other parties that could be reasonably regarded as a hindrance to Ballas Capital's independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Capital Increase.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice, we have considered the following principal factors and reasons:

A. Background and reasons for the Capital Increase

1. *Information on the Group*

1.1 *Background of the Group*

The Group is principally engaged in the provision of shipping services and general trading. The Group operates its business through six segments. The marine equipment and spare parts segment is mainly engaged in the trading and supply of marine equipment and spare parts. The coatings segment is mainly engaged in the production and sale of coatings. The general trading segment is mainly engaged in the trading, storage, processing and supply of asphalt and other products. The insurance brokerage segment is mainly engaged in the provision of insurance brokerage services. The ship trading agency segment is mainly engaged in the provision of agency services relating to shipbuilding, ship trading and bareboat charter business. The intelligent shipping services segment is mainly engaged in providing green, low-carbon and digital intelligent solutions for the full life cycle of the shipping industry business.

1.2 *Financial information of the Group*

Set out below is a summary of the financial results of the Group for the two years ended 31 December 2023 ("**FY2023**") and 2024 ("**FY2024)** and the six months ended 30 June 2024 ("**6M2024**") and 2025 ("**6M2025**") as extracted from the Company's respective annual reports and interim report.

	FY2023	**FY2024**	**6M2024**	**6M2025**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue				
Sale of coatings	826,045	1,344,147	595,777	822,892
Sale of marine equipment and spare parts	1,725,018	1,814,163	909,982	886,183
Commission income from ship trading agency	86,782	107,053	49,554	97,791
Commission income from insurance brokerage	139,707	220,994	111,633	119,639
Intelligent shipping services	97	1,325	333	1,754
General trading	564,080	139,444	85,608	5,859
Total revenue	**3,341,729**	**3,627,126**	**1,752,887**	**1,934,118**
Gross profit	663,634	845,569	401,628	498,803
Profit attributable to equity holders	**593,673**	**709,211**	**388,041**	**487,223**

6M2025 vs 6M2024

As disclosed in the interim report of the Company for 6M2025, the Group recorded revenue of approximately HK$1.9 billion for 6M2025, representing an increase of 10.3% as compared to that of approximately HK$1.8 billion for 6M2024. The increase was mainly due to the increase in revenues from coatings and ship trading agency segment. The Group's gross profit margin increased from 22.9% for 6M2024 to 25.8% for 6M2025 mainly due to the increase in revenue contribution from higher-gross profit margin business segments. The Group's net profit attributable to equity holders amounted to approximately HK$487.2 million for 6M2025, representing an increase of 25.6% as compared to that of approximately HK$388.0 million for 6M2024. The increase was mainly due to the significant increase revenue and the share of profit of a joint venture.

FY2024 vs FY2023

As disclosed in the annual report of the Company for FY2024, the Group recorded an increase in revenue of 8.5% from approximately HK$3.3 billion for FY2023 to approximately HK$3.6 billion for FY2024, mainly attributable to the increase in revenue from coatings and insurance brokerage segments. Whilst the gross profit margin increased to 23.3% for FY2024 as compared to 19.9% for FY2023. The Group recorded a 27.4% increase in gross profit to approximately HK$845.6 million in FY2024 as compared to that of approximately HK$663.6 million in FY2023 as a result of the increase in revenue and gross profit margin in FY2024. The Group's net profit attributable to equity holders increased by 19.5% to approximately HK$709.2 million for FY2024, mainly due to the increase in revenue and the share of profit of a joint venture.

1.3 *Financial position of the Group*

Set out below is a summary of the financial position of the Group as at 30 June 2025 as extracted from the interim report of the Company for 6M2025.

	As at 30 June 2025 *HK$'000* (unaudited)
Non-current assets	2,809,714
Current assets	7,122,183
Non-current liabilities	89,907
Current liabilities	1,361,563
Net assets	**8,480,427**

As at 30 June 2025, total assets of the Group amounted to approximately HK$9.9 billion, which mainly comprised (i) current deposits and cash and cash equivalents of approximately HK$5.1 billion; (ii) trade and other receivables of approximately HK$1.8 billion; and (iii) non-current bank deposits of approximately HK$1.0 billion.

As at 30 June 2025, total liabilities of the Group amounted to approximately HK$1.5 billion, which mainly comprised (i) trade and other payables of approximately HK$1.1 billion; and (ii) contract liabilities of approximately HK$233.5 million.

As at 30 June 2025, the Group recorded net assets of approximately HK$8.5 billion.

2. *Information on COSCO SHIPPING Smart-Sailing*

2.1 *Background information of COSCO SHIPPING Smart-Sailing*

COSCO SHIPPING Smart-Sailing 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. COSCO SHIPPING Smart-Sailing 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, COSCO SHIPPING Smart-Sailing facilitates the penetration of the shipping services business into the shipowner's supply chain system, enhance the existing business efficiency and customer experience, and create greater value for customers.

The shareholding structures of COSCO SHIPPING Smart-Sailing 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%**

2.2 *Financial information of COSCO SHIPPING Smart-Sailing*

Based on the audited financial statements of COSCO SHIPPING Smart-Sailing prepared in accordance with the accounting principles generally accepted in the PRC (PRC GAAP), the key financial information of COSCO SHIPPING Smart-Sailing 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)

According to the Company, the loss since incorporation was mainly due to the expenses incurred by COSCO SHIPPING Smart-Sailing during the start-up period and the research and development of products.

As at 31 July 2025, the audited net asset value of COSCO SHIPPING Smart-Sailing was RMB11,725,734.

3. *Information on Yuantong*

3.1 *Background information of 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:

	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%	—	—
COSCO SHIPPING Smart-Sailing	—	—	208,352,000	100%
Total	**208,352,000**	**100%**	**208,352,000**	**100%**

3.2 *Financial information of Yuantong*

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

The net profit after tax of Yuantong has increased by approximately 8.4% in the year ended 31 December 2024 as compared to the previous year, which was mainly due to the increase in sales, primarily driven by higher purchasing demand for spare parts from customers. The net profit for the seven months ended 31 July 2025 on an annualised basis are around the same as that of the year ended 31 December 2024.

As at 31 July 2025, the audited consolidated net asset value of Yuantong and its subsidiaries was HK$987,934,000. The dividends declared by Yuantong subsequent to the Valuation Reference Date amounted to RMB150,000,000 (equivalent to HK$164,692,190).

4. ***Information on 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 visualisation 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.

5. ***Reasons for and benefits of the Capital Increase***

As stated in the Letter from the Board, through the Capital Increase, the Company will significantly strengthen its core business capabilities and strategic positioning. By integrating SMART SAILING platform into the core business model of supply chain provider, Yuantong can potentially transform itself from a supply chain distributor into a life cycle "green and digital" solutions provider by embedding artificial intelligence (AI), Internet of Things and data analytics into Yuantong's equipment, service workflows and supply chain interfaces across the life cycle building, operation, maintenance of vessels. Through integration with the SMART SAILING platform, Yuantong is able to enhance COSCO SHIPPING Smart-Sailing's overall capabilities, embed the SMART SAILING Platform's digital solutions deep within the extensive COSCO SHIPPING Group ecosystem, thereby securing a foundational customer base, reaching new customers beyond the COSCO SHIPPING organisation and accelerating product-led growth. Furthermore, Yuantong can also expand its service coverage and potential customer base and market itself not only as a marine equipment and spare parts distributor but

as a solution provider backed by measured data over the vessel life cycle. The SMART SAILING Platform is strategically positioned to extend its business coverage beyond equipment into new areas such as materials supply, creating new revenue streams and enhancing its value proposition. The collaboration with COSCO SHIPPING Technology empowers COSCO SHIPPING Smart-Sailing. As the leading organisation of the COSCO SHIPPING Group's full life cycle digital intelligent vessel operation platform, COSCO SHIPPING Technology has accumulated profound experience in platform development and operation, industry insights, and related critical data resources in this field. This cooperation plays a pivotal role in building a core competitive asset, which serves as the foundation for training advanced AI models, delivering unique analytical insights, and developing the "measured data over the vessel life cycle" essential to supporting the new solutions provider business model. Therefore, the Company expects that the integration of Yuantong and the SMART SAILING platform into COSCO SHIPPING Smart-Sailing through the Capital Increase will unleash robust synergistic effects, and expand both Yuantong's and COSCO SHIPPING Smart-Sailing's overall business model 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. In view of the above, the Capital Increase is therefore expected to significantly enhance the Company's overall competitiveness and drive the continued growth of its profitability in the long run.

The net proceeds from the cash capital contribution of RMB213,010,416 under the Capital Increase are intended to be applied by COSCO SHIPPING Smart-Sailing to supplement daily operational cash flow, fund project research and development (R&D), support product sales and facilitate industrial 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 commercialisation prospects to gain access to scarce data and external customer resources.

Our View

Having considered the above, particularly the strategic alignment of the Capital Increase with the Group's transition towards a digital-intelligent and green shipping service provider, and our analysis on the principal terms of the Capital Increase as discussed in the sections below; we consider that although the Capital Increase is not in the ordinary and usual course of business of the Group, the terms of the Capital Increase are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

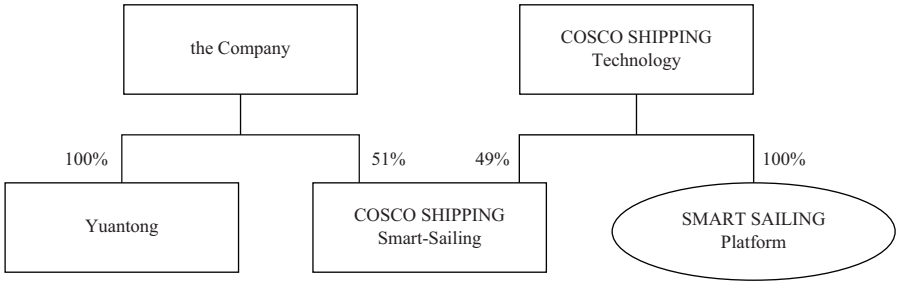
B. Major terms of the Capital Increase

On 5 January 2026, the Company, COSCO SHIPPING Technology and COSCO SHIPPING Smart-Sailing entered into the Capital Increase Agreement, pursuant to which (i) the Company shall satisfy its additional capital contribution by transferring its 100% equity interests in Yuantong to COSCO SHIPPING Smart-Sailing. Such additional capital contribution will be allocated as to RMB374,500,000 for subscription of new registered capital of COSCO SHIPPING Smart-Sailing and as to the remaining RMB764,395,100 for credit to the capital reserves of COSCO SHIPPING Smart-Sailing; and (ii) 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 COSCO SHIPPING Smart-Sailing. Such additional capital contribution will be allocated as to RMB75,500,000 for subscription of new registered capital of COSCO SHIPPING Smart-Sailing and as to the remaining RMB190,746,316 for credit to the capital reserves of COSCO SHIPPING Smart-Sailing.

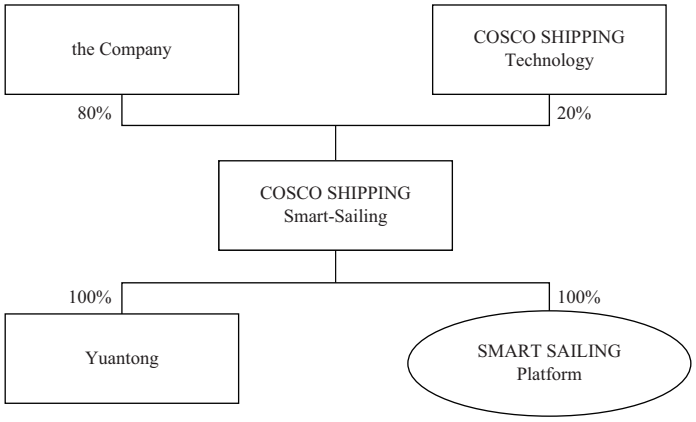
After the Registration Completion Date, the registered capital of COSCO SHIPPING Smart-Sailing shall increase from RMB50,000,000 to RMB500,000,000, and each party shall be entitled to and shall assume the corresponding shareholders' rights and shareholders' obligations in accordance with the Capital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

The group structure of Yuantong, SMART SAILING platform and COSCO SHIPPING Smart-Sailing can be diagrammatically illustrated below.

Before the Capital Increase



Immediately after the Capital Increase



Further details of the terms of the Capital Increase Agreement are set out in the paragraph headed "Capital Increase Agreement" in the Letter from the Board.

1.1 *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 COSCO SHIPPING Smart-Sailing; (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 the Letter from the Board; 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 COSCO SHIPPING Smart-Sailing under the COSCO SHIPPING Smart-Sailing 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 COSCO SHIPPING Smart-Sailing upon completion of the Capital Increase.

Subject to completion of the change in industrial and commercial registration in respect of the Capital Increase, the profits and losses of COSCO SHIPPING Smart-Sailing 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 COSCO SHIPPING Smart-Sailing) in accordance with their shareholding proportion after the Registration Completion Date (i.e. as to 80% by the Company and as to 20% by COSCO SHIPPING Technology).

We consider the profit and loss sharing arrangement is fair and to be an essential mechanism for maintaining the integrity of the agreed shareholding structure because the Company and COSCO SHIPPING Technology are effectively agreeing that the economic rights and risks in COSCO SHIPPING Smart-Sailing will be shared at 80:20 capital structure ratio from the Valuation Reference Date, even though the legal shareholding in COSCO SHIPPING Smart-Sailing only changes on the Registration Completion Date. The Valuation Reference Date is the point at which the value of Yuantong and the SMART SAILING Platform is fixed and agreed and used to determine how many new shares of COSCO SHIPPING Smart-Sailing that the Company and COSCO SHIPPING Technology will receive under the Capital Increase. So, the final 80:20 capital structure ratio is economically in place from the Valuation Reference Date. Therefore, any subsequent changes in the net asset value of the respective entities due to operational profits or losses should be attributed in the same proportions.

This approach ensures that the relative value of the contributions made by each party remains constant throughout the transition period. Consequently, the agreed shareholding ratio remains fair and equitable upon completion, regardless of the interim financial performance of Yuantong or COSCO SHIPPING Smart-Sailing, thereby avoiding the need for complex and uncertain post-completion price adjustments.

In addition, the fact that Yuantong has been profit-making and COSCO SHIPPING Smart-Sailing has been loss-making historically has already been reflected in the respective valuations. Yuantong is valued using a P/E-based market approach, whereas COSCO SHIPPING Smart-Sailing is valued on a cost approach given its start-up, loss-making nature. As a result, the Company "unlocks" Yuantong's value at a value-accretive multiple (higher than the Company's own P/E multiple (see "the Yuantong Valuation" below for the detailed analysis)), while COSCO SHIPPING Technology is contributing the SMART SAILING Platform and cash into COSCO SHIPPING Smart-Sailing; the final 80:20 capital structure ratio, and the abovementioned profit and loss sharing arrangement, ensure that the financial performance of COSCO SHIPPING Smart-Sailing after the Valuation Reference Date are enjoyed and borne at 80:20 ratio, which matches each party's agreed shareholding proportion in COSCO SHIPPING Smart-Sailing under the Capital Increase.

Furthermore, we note that the Valuation Reference Date (31 July 2025) was approximately six months prior to the date of the Capital Increase Agreement. However, we consider the Valuation Reference Date to be appropriate and representative for the purpose of determining the consideration for the Capital Increase based on the following:

(i) Continuity of Business Circumstances: To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, apart from the dividends declared by Yuantong subsequent to the Valuation Reference Date, which have already been taken into account in the determination of the amount of the Capital Increase in the above formulae, there is no substantial change in the circumstances of COSCO SHIPPING Smart-Sailing, Yuantong and the SMART SAILING Platform after the Valuation Reference Date and up to the Latest Practicable Date.

Furthermore, we have reviewed the latest available unaudited financial information of Yuantong and COSCO SHIPPING Smart-Sailing subsequent to the Valuation Reference Date and consider that there has been no material change in the financial position of Yuantong and COSCO SHIPPING Smart-Sailing which would render the respective appraised values of Yuantong and COSCO SHIPPING Smart-Sailing as at the Valuation Reference Date as the basis for determining the consideration for the Capital Increase inappropriate. In this regard, we have reviewed the unaudited management account of COSCO SHIPPING Smart-Sailing for the year ended 31 December 2025 and did not note any material change to COSCO SHIPPING Smart-Sailing's operating results after the Valuation Reference Date. We have also reviewed the unaudited management account of Yuantong and noted that,

other than the volume-driven revenue change, non-operating items and normal operating cost inflation, we did not notice any material fluctuation in the gross profit margin or any material structural change in cost structure. For the SMART SAILING Platform, we have confirmed with the Company that there is no material change to the composition of the SMART SAILING Platform asset package, in particular there is no change to the status of the SMART SAILING Platform's copyrights.

(ii) Economic Alignment via Profit and Loss Sharing: The Capital Increase Agreement stipulates that any profits or losses of the target entities during the period from the Valuation Reference Date to the completion of the industrial and commercial registration shall be enjoyed or borne by the Company and COSCO SHIPPING Technology in accordance with their final 80:20 shareholding proportions. We consider this mechanism ensures that the economic risks and rewards are effectively attributed based on the agreed capital structure from the Valuation Reference Date. By fixing the relative values of each party's contribution at that point in time, the arrangement ensures that the shareholding ratio remains fair and equitable regardless of the intervening period, as any fluctuations in financial performance are shared proportionately between the parties.

Based on the above, we concur with the Directors' view that the Valuations remain fair and representative.

1.2 *Our evaluation of the Valuations*

1.2.1 the Yuantong Valuation

a) Scope of work and qualifications of China Tong Cheng

China Tong Cheng was engaged to prepare the valuation report for Yuantong (the "**Yuantong Valuation Report**") and for COSCO SHIPPING Smart-Sailing (the "**COSCO SHIPPING Smart-Sailing Valuation Report**") which sets out independent valuations on the value of entire equity interest of Yuantong and COSCO SHIPPING Smart-Sailing as at the Valuation Reference Date.

Pursuant to the relevant requirements under Article 14 of the "Notice of the Ministry of Finance on Improving the Administration of the Filing of Asset Valuation Organisations" (Cai Zi [2017] No.26)* (《財政部關於做好資產評估機構備案管理工作的通知》(財資(2017)26號)), China Tong Cheng is an asset valuation firm which meets the conditions set out in Article 15 of the Asset Valuation Law (《資產評估法》).The Yuantong Valuation Report and the COSCO SHIPPING Smart-Sailing Valuation Report have been prepared in compliance with the relevant professional standards issued by China Appraisal Society and Ministry of Finance of the PRC.

We have (i) interviewed China Tong Cheng as to its expertise and any current or prior relationships with the Company, COSCO SHIPPING Smart-Sailing and COSCO SHIPPING Technology or any of their respective subsidiaries or associates; (ii) reviewed the terms of engagement (in particular whether the scope of work is appropriate to the opinion required to be given and any limitations on the scope of work which might adversely impact on the level of assurance given by the its valuation reports) for the Yuantong Valuation and the COSCO SHIPPING Smart-Sailing Valuation; (iii) reviewed the relevant track record of the China Tong Cheng and qualification of China Tong Cheng; and (iv) discussed with China Tong Cheng in respect of its relevant experience and work done. We have confirmed with China Tong Cheng, it is not connected with the Company, COSCO SHIPPING Smart-Sailing and COSCO SHIPPING Technology or their respective core connected persons.

Based on our discussions with China Tong Cheng and review of the aforesaid information, we understand that China Tong Cheng has the required qualification and experience in performing the valuation.

b) Valuation approaches

According to the Yuantong Valuation Report, the appraised value of Yuantong's entire equity interest as at the Valuation Reference Date amounted to RMB1,288,895,100 under the market approach. According to our review of the Yuantong Valuation Report and our discussion with China Tong Cheng on the methodologies underlying the Yuantong Valuation Report, we understood that China Tong Cheng has considered three generally accepted approaches, namely the income approach, cost approach and market approach. In determining the value of the enterprise interest of Yuantong, China Tong Cheng considered that the market approach is the most appropriate one.

The cost approach was considered inappropriate and was not adopted because Yuantong core value is significantly derived from off-balance sheet intangible factors — such as its professional sales and management teams, established track record, market reputation, and a stable, loyal customer base — which are not fully captured by a simple aggregation of the replacement costs of its assets.

The market approach was adopted as the primary methodology because there is a sufficient number of comparable listed companies in the same industry with active trading data, allowing for a fair and objective reflection of the company's market value.

Furthermore, the income approach is heavily dependent on the accuracy of long-term financial forecasts, which are subject to uncertainty due to rapid fluctuations in the international trading environment and exchange rates, and therefore was not adopted for the final Yuantong Valuation.

c) Key Assumptions

Certain key assumptions were used in the Yuantong Valuation, including but not limited to:

(i) The equity interest of Yuantong is assumed to be in a transaction process, and is traded in an open market. An open market refers to a fully competitive market with numerous buyers and sellers, where they have equal standing and have sufficient opportunities and time to obtain market information. The transaction is conducted by both parties voluntarily and rationally, under non-compulsory or unrestricted conditions.

(ii) Yuantong's operators are assumed to be responsible, and management capable of performing their duties.

(iii) There will be no material changes in current relevant laws, regulations and policies of the State, or in the macro-economic situation, nor in the political, legal, economic, or social environments of the regions where the relevant parties are located. It is further assumed that there are no material changes in relevant interest rates, exchange rates, tax bases, tax rates, and policy-related charges.

d) Valuation Multiple

In applying the market approach for the valuation of Yuantong, the Price-to-Earnings (P/E) multiple was adopted as the valuation multiple. As stated in the Yuantong Valuation Report, the selection of the P/E multiple is considered appropriate as Yuantong maintains relatively stable profitability, and investors in this industry primarily focus on net profit and cash flow growth as key indicators of corporate value. We are of the view that as a widely recognised and utilised metric in the valuation of companies with established earnings track record, the P/E multiple provides a reliable benchmark for reflecting Yuantong's fair market value.

As stated in the Yuantong Valuation Report, a range of commonly used value ratios (including EV/EBITDA, EV/Sales, PB and non-financial multiples) were also considered. Having regard to Yuantong's light asset trading and service model, relatively stable profitability and investors' focus on profit and cash flow growth, profit related equity ratios were regarded as the most appropriate for linking equity value to earnings. Total investment ratios such as EV/EBITDA or EV/EBIT are more suitable where there are material differences in capital structure between the subject and its peers, but Yuantong and the selected comparables have broadly similar capital structures, making equity-based ratios more suitable. Revenue-based ratios mainly reflect business scale and do not adequately distinguish companies with similar turnover but different margins, while asset-based ratios are more

appropriate for capital intensive or financial businesses and cannot fully capture unrecorded intangibles such as sales network, management capabilities and customer relationships in a light asset company like Yuantong. Other special non-financial ratios would require consistent and comparable operating indicators across all peers, which are not available in a sufficiently robust form. Accordingly, we agree that P/E multiple is the most appropriate value ratio under the market approach for determining Yuantong's equity value by reference to its earnings.

e) Comparables used in the Yuantong Valuation Report

We have reviewed the selection criteria adopted by China Tong Cheng in identifying the comparables (the "**Comparables**"), which primarily include: (i) companies listed on the stock exchanges of Hong Kong, Singapore, and Japan, representing mature capital markets in regions where Yuantong operates, where priority is given to companies that mainly derive their revenue from the Hong Kong and the PRC market, given the similarity with Yuantong's major markets (ii) companies that have been listed on the aforesaid stock exchanges for at least 24 months; (iii) companies principally engaged in trading and agency services for industrial machinery and marine equipment for at least 24 months; (iv) companies that recorded positive net profit in the most recent fiscal year; and (v) excluded companies with P/E multiples exceeding two standard deviations from the peer group median. The selection criteria aim to ensure that the selected companies are genuinely similar to Yuantong in business nature, geographical coverage and financial position, so that their trading multiples provide a reliable benchmark. The selection criteria therefore require peers with a sufficient listing and operating history in the same or similar industry and in the same operating markets, with light-asset business model, while excluding companies whose share prices may not reflect fair market value.

Based on the aforementioned selection criteria, China Tong Cheng identified an initial batch of 7 potential comparable companies as listed out below:

Stock Code	Company Name	Principal Business	Status
0517.HK	The Company	Principally engaged in the provision of shipping services and general trading. The Group operates its business through six segments. The marine equipment and spare parts segment is mainly engaged in the trading and supply of marine equipment and spare parts. The coatings segment is mainly engaged in the production and sale of coatings. The general trading segment is mainly engaged in the trading, storage, processing and supply of asphalt and other products. The insurance brokerage segment is mainly engaged in the provision of insurance brokerage services. The ship trading agency segment is mainly engaged in the provision of agency services relating to shipbuilding, ship trading and bareboat charter business. The intelligent shipping services segment is mainly engaged in providing green, low-carbon and digital intelligent solutions for the full life cycle of the shipping industry business.	Selected
2102.HK	Tak Lee Machinery Holdings Limited ("**Tak Lee**")	Tak Lee is an investment company, which engages in the sale of heavy equipment and spare parts. It operates through the following segment: Sales of heavy equipment and spare parts; lease of heavy Equipment; and maintenance and ancillary services. The sales of heavy equipment and spare parts segment trades heavy equipment and spare parts. The lease of heavy equipment segment leases heavy equipment. The maintenance and ancillary services segment offers maintenance and ancillary services.	Selected

Stock Code	Company Name	Principal Business	Status
9932.TJP	Sugimoto & Co., Ltd. ("**Sugimoto**")	Sugimoto engages in the domestic sales, import and export of machinery and equipment. Its products include mechanical equipment; measuring equipment; testing machinery; cutting, machine and pneumatic tools; cargo handling tools; conduction, pneumatic, and hydraulic equipment; electric tools; transmission equipment; work tools; pipework equipment; tube materials; office automation equipment and others.	Selected
5PF.SG	Jason Marine Group Limited ("**Jason Marine**")	Jason Marine is an investment holding company, which engages in the provision of support services in the marine electronics systems, and marine and offshore oil and gas industries. It operates through the following business segments: Sale of Goods, Rendering of Services, and Airtime Revenue. The Sale of Goods segment includes the design, supply, and sale of marine, communication, navigation, and automation equipment. The Rendering of Services segment involves the provision of maintenance and support services, including repair works, troubleshooting, commissioning, radio survey, and annual performance tests. The airtime revenue segment offers airtime for the satellite communication system.	Excluded
7128.T	UNISOL Holdings Corporation ("**UNISOL**")	UNISOL engages in the business management of its group subsidiaries that sell industrial machinery and equipment tools.	Excluded

Stock Code	Company Name	Principal Business	Status
7472.T	Toba, Inc. ("**Toba**")	Toba engages in the sale, import, and export of control machinery, industrial robots, measuring and instrumentation devices. Its products include pneumatic, hydraulic and linear products, robot and automatic assembly equipment, printed circuit board mounting products, imaging and measuring equipment, logistics and transport equipment, computers, electronic machinery, transport equipment, construction and conduit equipment, fasteners, environmental maintenance equipment, tools, machinery tools, laboratory equipment, chemicals, and general industrial equipment. It also provides the installation of machinery and equipment.	Excluded
7500.T	Nishikawa Keisoku Co., Ltd. ("**Nishikawa**")	Nishikawa engages in the sale of control and information equipment systems, measuring and analytical equipment, industrial equipment and other products related to engineering and software production. It operates through the following divisions: Control and Information Equipment System, Measuring Instrument, Analytical Equipment, and Industrial and Other Equipment. The Control and Information Equipment System division includes computer systems for process and factory automation, thermometers, flow meters, controllers, sequencers, software creation, and instrument construction and maintenance. The Measuring Instrument division provides signal testing instruments such as oscilloscopes and electric power measuring devices such as ammeters and voltmeters. The Analytical Equipment division consists of data analysis software and analytical equipment such as gas and liquid chromatographs for organic chemicals and inductively coupled plasma-mass spectrometry (ICP-MS) for inorganic chemicals. The Industrial and Other Equipment division offers environmental testing equipment, hydraulic machinery, pneumatic tools, industrial robots, and thermostats.	Excluded

As explained above, among all priority is given to companies that mainly derive their revenue from the Hong Kong and/or the PRC market, given the similarity with Yuantong's major markets and these companies are considered direct comparables. Therefore, among the 7 companies identified above, China Tong Cheng considered that the Company and Tak Lee are direct comparables and no additional filters are applied to them. In particular, Tak Lee was selected, despite being smaller in scale, because it generates all of its revenue in the Hong Kong market and is a Hong Kong listed supplier of heavy equipment and spare parts which, like Yuantong, operates as a light asset distributor and service provider in the equipment sector, generating income mainly from the sale, rental and servicing of equipment rather than from manufacturing.

For the remaining 5 companies, namely Jason Marine, Toba, Nishikawa, UNISOL and Sugimoto, as they do not derive their revenue primarily from the Hong Kong and/or the PRC market, China Tong Cheng considered them relatively less comparable to Yuantong, and thus China Tong Cheng applied additional filters to these 5 indirect comparables: (i) liquidity filter where companies with an average monthly turnover rate of less than 2% over the 12-month period preceding the Valuation Reference Date are excluded to ensure their trading multiples reflect their true fair market value and do not lead to distorted valuation results; (ii) business scale filter where companies with revenue more than 2x larger or 2x smaller than that of Yuantong based on their latest published annual results are excluded. Jason Marine, Toba and Nishikawa generated only 5%, 10% and nil revenue from the Hong Kong and/or the PRC market respectively and thus were subject to the aforesaid additional filters. They were excluded as they had an average monthly turnover rate of less than 2% over the 12-month period preceding the Valuation Reference Date. UNISOL generated only 2% of its revenue from the Hong Kong and/or the PRC market and thus was subject to the aforesaid additional filters. It was excluded due to its significantly larger business scale compared to Yuantong, with revenue around 4.6x of that of Yuantong for 2024. Given the substantial disparity in size of operation, China Tong Cheng determined that its valuation multiples would not be directly comparable to Yuantong.

Under the market approach, it is common that after comparable companies are selected based on a set of selection criteria, the selected comparable companies are further screened out as outlier by size, financial profile and/or trading data quality. Therefore, we consider that it is reasonable that China Tong Cheng applied additional filters and excluded certain indirect comparable companies (i.e., those with their core market outside of China and Hong Kong market which is the core market of Yuantong) because of poor trading liquidity (i.e., Jason Marine, Toba and Nishikawa) and substantial deviation in size (in terms of revenue) (i.e., UNISOL).

The remaining indirect comparable, Sugimoto, which generated only around 3.5% of its revenue from non-Japanese market, was selected because it passed the additional filters. Its average monthly turnover rate was approximately 6% over the 12-month period preceding the Valuation Reference Date and its revenue was only around 1.4x larger than that of Yuantong based on its latest published annual results. It is a Japanese listed trading company principally engaged in the distribution of tools, measuring instruments and related equipment, with a business model, revenue composition and asset allocation that are similar in nature to those of Yuantong, save that its product mix focuses on industrial equipment rather than marine equipment. As a result, China Tong Cheng considered that, Sugimoto and Tak Lee, together with the Company, represent reasonable and appropriate listed company references for deriving valuation multiples for Yuantong and were adopted as the final Comparables.

Furthermore, we note that Yuantong, Sugimoto and Tak Lee all operate as light-asset, distribution and service-oriented business focused on industrial/machinery equipment rather than manufacturing, with revenue and assets concentrated in trading inventories, receivables and other assets rather than heavy plant. Their core business model is to source branded industrial/machinery products from multiple upstream suppliers and resell them with value-added services and their revenue is derived therefrom. Asset base of Sugimoto and Tak Lee are mainly trading inventories and receivables, which is similar to those of Yuantong. Accordingly, we consider that it is reasonable that China Tong Cheng considered both Sugimoto and Tak Lee comparable to Yuantong.

We have (i) discussed with China Tong Cheng the exhaustive nature of their search process. (ii) reviewed of the underlying working and market data provided by China Tong Cheng (e.g. screening results from Bloomberg), we are satisfied that the selection criteria are reasonable and that the Comparables identified by China Tong Cheng represent an exhaustive list of relevant peers on a best-effort basis.

Based on the foregoing, we consider that the Comparables were fair and representative and the use of the P/E multiples derived from these Comparables to be a fair and appropriate basis for the valuation of Yuantong.

(f) Adjustments made to the Comparables

In determining the final valuation of Yuantong, China Tong Cheng applied several adjustments to the raw P/E multiples of the Comparables. These adjustments were designed to bridge the fundamental gaps in risk profiles and financial

performance between the Comparables and Yuantong. We have reviewed the underlying logic of these adjustments as follows:

(i) *Country Risk Adjustment:*

To account for the difference in sovereign risk between the Hong Kong and Japanese markets, a country risk correction factor was applied to the Japanese comparable based on the sovereign credit ratings assigned by Moody's. Specifically, while Hong Kong maintains a high-grade credit rating (Aa3), the Japanese market was noted to have a relatively lower rating (A1) at the Valuation Reference Date. We have reviewed the rating benchmarks used and consider this adjustment to be reasonable.

(ii) *Financial Performance Adjustment:*

China Tong Cheng implemented a comprehensive weighted scoring model to assess the operational quality of Yuantong relative to the Comparables across four key dimensions: (a) profitability (e.g. return on assets); (b) asset quality (e.g. inventory turnover ratio); (c) liquidity risk (e.g. asset to liability ratio); and (d) growth potential (e.g. sales growth rate).

Under this methodology, Yuantong's financial ratios were set as the benchmark (assigned 100 points), while the Comparables were assigned scores based on their relative performance in each category. For instance, if Yuantong exhibited superior profitability compared to the peers, the Comparables will be assigned a lower score in this ratio, vice versa.

The individual scores for each metric were then aggregated using specific weights, based on guidelines from the State-owned Assets Supervision and Administration Commission of the State Council, to derive an overall financial performance adjustment coefficient for each Comparable, which together with the country risk correction factor were then applied the raw P/E of the Comparables to derive the adjusted P/E multiples.

We have reviewed the underlying financial ratios and discussed with China Tong Cheng on its's scoring logic. We consider this quantitative benchmarking approach to be reasonable.

(iii) *Application of Weights:*

In arriving at the weighted average of adjusted P/E multiples of 21.28x, China Tong Cheng assigned different weightings to the adjusted multiples of the Comparables instead of adopting a simple arithmetic average. A lower weighting was assigned to Tak Lee with a smaller market capitalisation in view of its higher price volatility.

We consider that the use of a weighted average approach is reasonable.

(iv) *discount on lack of marketability ("DLOM")*

In recognising that Yuantong is a private entity whose shares cannot be readily traded on a public exchange, China Tong Cheng applied a DLOM of 33.08%.

Based on our discussion with China Tong Cheng, we understand that this discount rate was derived through a comparative analysis of P/E multiples between: (i) merger and acquisitions transactions involving private companies during 2024; and (ii) comparable publicly listed companies during the same period. The disparity between these two sets of multiples represents the valuation haircut required for the lack of liquidity in private equity. China Tong Cheng utilised its proprietary research database, namely "Lack of Marketability Discount (DLOM) in the Comparative Estimation of P/E Ratios for Private Company M&A vs. Listed Companies (2024 Edition — involving overseas non-listed companies)" (the "**2024 DLOM Report**"), to calculate the average discount for 2024, arriving at 33.08%.

We have discussed the methodology and the rationale for adopting this discount rate. We have also reviewed the 2024 DLOM Report and noted that the DLOM of 33.08% represented the discount of average P/E multiples for private merger and acquisitions transactions to the average P/E multiples for listed companies, based on its proprietary research database taking into account data from 15 countries: Australia, Canada, France, Germany, Hong Kong, India, Italy, Japan, South Korea, Singapore, Sweden, Thailand, the PRC, the United Kingdom, and the United States. We consider that the use of actual market transaction data from the 2024 DLOM Report provides an evidence-based benchmark for quantifying the liquidity risk associated with the interest in Yuantong and thus the DLOM is fair, representative and reasonable.

(g) Final Yuantong Valuation

As stated in the Yuantong Valuation Report, the appraised value of the entire equity interest in Yuantong was arrived at by summing: (i) the operating value, derived by multiplying the net profit of Yuantong for 2025 by the weighted average adjusted P/E multiple of 21.28x and subsequently applying a DLOM of 33.08%; and (ii) the net value of non-operating assets and liabilities (mainly investment properties and long-term equity investments) as at the Valuation Reference Date.

By segregating the operating value (derived from the adjusted P/E multiple) from the non-operating net assets, China Tong Cheng has provided a more precise reflection of Yuantong's total equity value.

Furthermore, for illustrative purposes, we note that the Yuantong Valuation represents an implied P/E ratio of approximately 14.64x, based on the Yuantong Valuation of RMB1,288,895,100 and its net profit for FY2024 of approximately HK$96.7 million (equivalent to approximately RMB88.1 million). We also note that such implied P/E ratio is higher than the prevailing P/E ratio of the Company of approximately 11.9x (based on the closing price as at the Valuation Reference Date and the net profit attributable to equity holders of the Company for FY2024). Accordingly, the valuation of Yuantong is considered to be value-accretive to the Company and its Shareholders, as it reflects a valuation multiple higher than the market valuation of the Group.

Our view

Based our review and analysis as set out above, we are of the view that the Yuantong Valuation is fair and reasonable.

1.2.2 the COSCO SHIPPING Smart-Sailing Valuation

a) Scope of work and qualifications of China Tong Cheng

The COSCO SHIPPING Smart-Sailing Valuation Report is prepared by China Tong Cheng. Please refer to the section headed "1.2.1 the Yuantong Valuation" for our work done and view on the scope of work and qualification of China Tong Cheng.

b) Valuation approaches

According to the COSCO SHIPPING Smart-Sailing Valuation Report, the appraised value of COSCO SHIPPING Smart-Sailing's entire equity interest as at the Valuation Reference Date (i.e. pre-money valuation of COSCO SHIPPING Smart-Sailing) amounted to RMB50,972,300 under the cost approach. According to our review of the COSCO SHIPPING Smart-Sailing Valuation Report and our discussion with China Tong Cheng on the methodologies underlying the COSCO SHIPPING Smart-Sailing Valuation Report, we understood that China Tong Cheng has considered three generally accepted approaches, namely the income approach, cost approach and market approach. In determining the value of the enterprise interest of COSCO SHIPPING Smart-Sailing, China Tong Cheng considered that the cost approach is the most appropriate one.

The market approach was not adopted as it was difficult to identify comparable listed companies or recent transaction cases that sufficiently align with COSCO SHIPPING Smart-Sailing's current development stage and specific business model in software development and operations.

The cost approach adopts the replacement cost of its existing assets as the value standard. This method reflects the fair value of COSCO SHIPPING Smart-Sailing's shareholder equity as presented in its audited balance sheet on the valuation reference date from a replacement perspective. By assessing the value of each identifiable asset and liability, this approach provides a prudent and verifiable reflection of COSCO SHIPPING Smart-Sailing's intrinsic value prior to the Capital Increase.

Given that COSCO SHIPPING Smart-Sailing is in its early operational stage and has yet to achieve profitability, income approach is not chosen as the approach for the final valuation of COSCO SHIPPING Smart-Sailing.

The conclusion of the cost approach accurately reflects the fair value of its equity at the reference date. Accordingly, the cost approach was ultimately adopted.

c) Key Assumptions

Certain key assumptions were used in the COSCO SHIPPING Smart-Sailing Valuation, including but not limited to:

(i) The equity interest of COSCO SHIPPING Smart-Sailing is assumed to be in a transaction process, and is traded in an open market. An open market refers to a fully competitive market with numerous buyers and sellers, where they have equal standing and have sufficient opportunities and time to obtain market information. The transaction is conducted by both parties voluntarily and rationally, under non-compulsory or unrestricted conditions.

(ii) COSCO SHIPPING Smart-Sailing's operators are assumed to be responsible, and management capable of performing their duties.

(iii) There will be no material changes in current relevant laws, regulations and policies of the State, or in the macro-economic situation, nor in the political, legal, economic, or social environments of the regions where the relevant parties are located. It is further assumed that there are no material changes in relevant interest rates, exchange rates, tax bases, tax rates, and policy-related charges.

d) Details of the valuation

In arriving at the COSCO SHIPPING Smart-Sailing Valuation, China Tong Cheng examined the assets and liabilities of COSCO SHIPPING Smart-Sailing on an item-by-item basis, consistent with the audited balance sheet provided by the reporting accountants. As at the Valuation Reference Date, the book value of COSCO SHIPPING Smart-Sailing's total assets, total liabilities, and net assets were

approximately RMB21.52 million, RMB9.79 million, and RMB11.73 million, respectively. Upon valuation, the appraised value of the total assets and net assets increased to approximately RMB60.77 million and RMB50.97 million, representing an appreciation of approximately RMB39.25 million, with an appreciation rate of 182.37% for total assets and 334.71% for net assets.

The appraisals of the assets and liabilities of COSCO SHIPPING Smart-Sailing are summarised below:

(i) *Current assets*

The book value and appraised value of COSCO SHIPPING Smart-Sailing's current assets were both approximately RMB19.33 million as at the Valuation Reference Date. Based on our review of the COSCO SHIPPING Smart-Sailing Valuation Report and discussion with China Tong Cheng, China Tong Cheng verified and valued the key components as follows:

a) Bank deposits — China Tong Cheng verified bank deposits by reconciling bank statements with general ledgers, examining bank reconciliation statements, and performing independent bank confirmations. It is determined that the appraised value is equivalent to the book value.

b) Receivables and prepayments — China Tong Cheng verified the historical records and nature of the accounts receivable, other receivables, and prepayments to ensure the accuracy of the book values, and applied age analysis to assess the recoverability of each balance in order to determine their fair value. It is determined that the appraised value is equivalent to the book value.

c) Other current assets — China Tong Cheng reconciled the ledgers and performed sample checks on supporting vouchers for other current assets. It is determined that the appraised value is equivalent to the book value.

(ii) *Non-current assets*

COSCO SHIPPING Smart-Sailing's non-current assets consist of physical equipment and significant off-balance sheet intellectual property. Based on our review of the COSCO SHIPPING Smart-Sailing Valuation Report and

discussion with China Tong Cheng, China Tong Cheng verified and valued the key components as follows:

a) Equipment — China Tong Cheng adopted the replacement cost method, calculating the value based on current market purchase prices plus necessary installation and delivery costs, adjusted by a used-state percentage based on the equipment's actual condition. The appraised value is only approximately 3.8% higher than the book value.

b) long-term deferred expenses — China Tong Cheng verified the authenticity and completeness of each item as well as the reasonableness of its amortisation in accordance with the valuation procedures, and determined that the appraised value to be equivalent to the book value.

c) Off-balance sheet intangible assets — COSCO SHIPPING Smart-Sailing has 17 software copyrights which were developed through a combination of internal R&D and outsourced development. Although these assets carried no book value as the related costs were historically expensed, China Tong Cheng appraised them at RMB39.22 million using the cost method.

   We understand that China Tong Cheng performed various due diligence, including reconciling R&D ledgers, contracts, and payment vouchers, and conducting interviews with technical personnel to assess the R&D process, technical maturity, and expected lifespan of the software.

   In determining the appraised value, China Tong Cheng aggregated the actual historical R&D labour inputs and development expenses (totalling approximately RMB33.45 million) and adjusted this base cost by taking into account a reasonable developer's profit margin, which was determined with reference to the prevailing profit levels and risk profiles of the software development and information technology service industry in the PRC; and a relevant capital costs, calculated based on a reasonable development cycle and the prevailing Loan Prime Rate (LPR) published by the National Interbank Funding Center as at the Valuation Reference Date.

(iii) *Current liabilities*

The appraised value of COSCO SHIPPING Smart-Sailing's total current liabilities was approximately RMB9.80 million, which is equal to its book value. The Independent Valuer verified and valued the major components as follows:

a) Accounts payable and other payables — These primarily consist of technical service fees, hardware costs, and R&D expenses. China Tong Cheng verified the underlying transactions through its valuation procedures to ensure the balances were accurately recorded and determined that the appraised value is equivalent to the book value.

b) Employee benefits payable — China Tong Cheng verified the records for salaries and annuities to ensure the completeness and accuracy and determined that the appraised value is equivalent to the book value.

c) Taxes payable — China Tong Cheng reviewed the individual income tax records and verified the consistency of ledgers and determined that the appraised value is equivalent to the book value.

(iv) *Non-current liabilities*

COSCO SHIPPING Smart-Sailing has no non-current liabilities.

Our view

We note that the COSCO SHIPPING Smart-Sailing Valuation of RMB50,972,300 represents a premium of approximately 12.8% over the sum of (i) the audited net asset value of COSCO SHIPPING Smart-Sailing of approximately RMB11.7 million as at the Valuation Reference Date; and (ii) the aggregated actual historical R&D labour inputs and development expenses of approximately RMB33.45 million incurred for the software copyrights.

Based our review and analysis as set out above, we are of the view that the COSCO SHIPPING Smart-Sailing Valuation is fair and reasonable.

1.2.3 the SMART SAILING Platform Valuation

a) Scope of work and qualifications of Shanghai Dongzhou

Shanghai Dongzhou was engaged to prepare the valuation report for the SMART SAILING Platform asset package (the "**SMART SAILING Valuation Report**") which sets out an independent valuation on the market value of the SMART SAILING Platform asset package as at the Valuation Reference Date.

Pursuant to the relevant requirements under the Asset Valuation Law (《資產評估法》), the "Measures for Financial Supervision and Administration of the Asset Appraisal Sector" (Cai Zheng Bu Ling No.86)* (《資產評估行業財政監督管理辦法》(財政部令第86號)) and the "Notice of the Ministry of Finance on Improving the Administration of the Filing of Asset Valuation Organisations" (Cai Zi [2017] No.26)* (《財政部關於做好資產評估機構備案管理工作的通知》 (財資(2017)26號)), Shanghai Dongzhou is an asset valuation firm which meets the conditions set out in Article 15 of the Asset Valuation Law (《資產評估法》). The SMART SAILING Valuation Report has been prepared in compliance with the relevant professional standards issued by China Appraisal Society and Ministry of Finance of the PRC.

We have (i) interviewed Shanghai Dongzhou as to its expertise and any current or prior relationships with the Company, COSCO SHIPPING Smart-Sailing and COSCO SHIPPING Technology or any of their respective subsidiaries or associates; (ii) reviewed the terms of engagement (in particular whether the scope of work is appropriate to the opinion required to be given and any limitations on the scope of work which might adversely impact on the level of assurance given by its valuation report) for the SMART SAILING Platform; (iii) reviewed the relevant track record of Shanghai Dongzhou and qualification of Shanghai Dongzhou; and (iv) discussed with Shanghai Dongzhou in respect of its relevant experience and work done. We have confirmed with Shanghai Dongzhou, it is not connected with the Company, COSCO SHIPPING Smart-Sailing and COSCO SHIPPING Technology or their respective core connected persons.

Based on our discussions with Shanghai Dongzhou and review of the aforesaid information, we understand that Shanghai Dongzhou has the required qualification and experience in performing the valuation.

b) Valuation approaches

According to the SMART SAILING Valuation Report, the appraised value of the Smart Sailing Platform asset package as at the Valuation Reference Date amounted to RMB53,235,900. According to our review of the SMART SAILING Valuation Report and our discussion with Shanghai Dongzhou on the methodologies underlying the valuation, we understood that Shanghai Dongzhou has considered

three generally accepted approaches, namely the income approach, cost approach and market approach. In determining the value of the SMART SAILING Platform asset package, Shanghai Dongzhou considered that the cost approach is the most appropriate methodology.

The cost approach was adopted as the primary methodology because it provides a fair and verifiable reflection of the actual resources and research and development effort consumed during the platform's 25-month creation period. By capturing the replacement cost of the intellectual property (including patent applications rights, software copyrights, and source codes) and incorporating reasonable labour inputs and industry-standard profit margins, this methodology provides a more prudent and reliable valuation for a technical asset package at this stage of its life cycle.

Furthermore, as the SMART SAILING Platform officially launched relatively recently, there remains inherent uncertainty regarding the exact timing and scale of future income realisation. An income-based model at this stage would be highly sensitive to subjective growth assumptions and long-term financial forecasts, which may not yet be fully supported by sufficient historical commercial data. The market approach was considered inappropriate and was not adopted due to the unique nature of the underlying technical architecture and the lack of identical or sufficiently similar intangible asset transaction cases in the public market.

c) Key Assumptions

Certain key assumptions were used in the SMART SAILING Platform asset package, including but not limited to:

(i) It is assumed that the SMART SAILING Platform asset package is in a transaction process and is traded in an open market where both the buyer and the seller have equal standing, sufficient access to market information, and conduct transactions voluntarily, rationally, and without compulsion or undue restriction.

(ii) It is assumed that the SMART SAILING Platform will continue to be utilised for its current functions. This premise assumes that the assets within the valuation scope are in a state of use and will continue to be utilised in their current manner and for their current purposes, without taking into account any conversion of use or the highest and best use conditions.

d) Details of the valuation

As disclosed in the SMART SAILING Valuation Report, Shanghai Dongzhou adopted the cost approach to evaluate the market value of the SMART SAILING Platform asset package. The valuation represents the sum of the replacement costs of the individual assets within the asset package, which primarily consist of: (i) patent application rights; (ii) software copyrights, platform source code, and other data assets; and (iii) trademarks and domain names.

According to the information provided by Shanghai Dongzhou, the historical costs of the software copyrights, source codes, and data assets mainly comprise the direct research and development (R&D) expenses (including labour costs and outsourcing fees) and allocated indirect costs. For patent application rights, the historical costs mainly consist of agency fees, official fees, and priority examination agency fees incurred during registration. The replacement cost is determined by adjusting these historical costs, incorporating applicable capital costs and a reasonable profit margin.

In assessing the fairness of the valuation, we have reviewed Shanghai Dongzhou's calculation as follows:

(i) *Determination of valuation of patent application rights, software copyrights, platform source code, and other data assets*

Valuation for patent application rights

The SMART SAILING platform asset package includes 5 patent applications which are currently at various stages of the application process. As at the Valuation Reference Date, the replacement cost for these patent application rights primarily represents the registration and maintenance costs, adjusted for current price levels.

To reflect the current market price level as at the Valuation Reference Date, Shanghai Dongzhou applied the Purchasing Price Index (工業生產者購進價格指數) published by National Bureau of Statistics of the PRC.

After adjusting to current market price levels, the replacement cost is further adjusted for (i) the capital costs, which is based on the prevailing LPR published by the National Interbank Funding Center, and (ii) a reasonable profit, which is based on the three-year average profit margin of the industry application software sector from the iFinD (同花順), a financial data terminal provided by the Shenzhen Stock Exchange-listed company, Hithink RoyalFlush Information Network Co., Ltd. (300033.SZ).

Valuation for software copyrights, platform source code, and other data assets

The SMART SAILING Platform asset package is derived from its 3 software copyrights, 6 sets of platform source code, and other data assets. In assessing the replacement cost of these assets, Shanghai Dongzhou aggregated historical costs, which includes direct R&D labour and allocated indirect overheads.

To reflect current replacement costs, Shanghai Dongzhou adjusted these historical inputs using official average wage growth indices from the Shanghai Municipal Human Resources and Social Security Bureau.

After adjusting to current market price levels, the replacement cost is further adjusted for (i) the capital costs, which is based on the prevailing LPR published by the National Interbank Funding Center, and (ii) a reasonable profit, which is based on the three-year average profit margin of the industry application software sector from the iFinD (同花顺).

(ii) *Determination of valuation of trademarks and domain names*

Trademarks were valued by summing fees including design fees, registration fees, and agency fees. Domain names were valued based on their initial registration/acquisition costs plus the pro-rata value of prepaid renewal fees.

(iii) *Total valuation of the SMART SAILING Platform asset package*

Total valuation of the SMART SAILING Platform asset package is RMB53,235,900, being the sum of the valuation of (i) the patent application rights and (ii) software copyrights, platform source code, and other data assets, and (iii) trademarks, domain names, and other data assets.

e) Our view

Regarding the SMART SAILING Platform Valuation of RMB53,235,900, we note that this represents a premium of approximately 31.5% over the aggregated actual historical expenses of approximately RMB40.48 million incurred from 2022 to 2025.

Based on our review and analysis above, we consider the SMART SAILING Valuation to be fair and reasonable.

C. Financial Effects

Under the Capital Increase, the Company shall transfer its 100% equity interest in Yuantong to COSCO SHIPPING Smart-Sailing and COSCO SHIPPING Technology shall transfer the SMART SAILING platform and make a cash contribution of approximately RMB213 million to COSCO SHIPPING Smart-Sailing. As a result, the Company's equity interest in COSCO SHIPPING Smart-Sailing will increase from 51% to 80% and the Company's equity interest in Yuantong will effectively be diluted from 100% to 80%. 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.

RECOMMENDATION

Having considered the principal factors and reasons referred to above, particularly that the shareholding structure of COSCO SHIPPING Smart-Sailing following the Capital Increase was determined based on the appraised values of COSCO SHIPPING Smart-Sailing, Yuantong, and the SMART SAILING Platform as at the Valuation Reference Date, which we have reviewed and consider to be fair and reasonable, we are of the opinion that (i) the terms of the Capital Increase Agreement are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned; and (ii) although the Capital Increase is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Capital Increase.

Yours faithfully,
For and on behalf of
Ballas Capital Limited

Alex Lau	**Cathy Leung**
Managing Director	*Director*

Note: Mr. Alex Lau of Ballas Capital Limited has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2003, and Ms. Cathy Leung of Ballas Capital Limited has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2019.

I. OVERVIEW OF THE APPRAISED ENTITY

(1) Business Registration Information

Company Name: 中遠海運綠色數智船舶服務有限公司
(COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd.*)

Registered Address: Room A-522, No.188 Yeshen Road, Lingang New Area of China (Shanghai) Pilot Free Trade Zone, the PRC

Legal Representative: Zhu Changyu

Registered Capital: RMB50,000,000

Unified Social Credit Code: 91310000MAC8R8G4X2

Scope of Business: Licensed Projects: Domestic ship management services; internet information services; value-added telecommunications services (Category I); value-added telecommunications services (Category II); ship inspection services. (Projects subject to approval in accordance with the law may only be carried out upon approval by the relevant authorities. The specific scope of business shall be subject to the approval documents or permits issued by the relevant authorities.)

General Projects: International ship management services; supply chain management services; research and development of carbon emission reduction, carbon conversion, carbon capture and carbon sequestration technologies; Internet of Things (IoT) application services; data processing services; development of artificial intelligence application software; sales of artificial intelligence hardware; internet data services; information technology consulting services; technical services, technical development, technical consulting, technical exchange, technology transfer and technology promotion; operation and maintenance services of information systems; information system integration services; sales of spare parts for water transportation equipment; wholesale of refined oil products (excluding hazardous chemicals); sales of petroleum products (excluding hazardous chemicals); sales of lubricating oil; internet sales (excluding goods subject to licensing requirements); ship sales; ship leasing; import and export of goods; import and export of technologies. Except for items subject to approval in accordance with the law, business activities shall be carried out independently pursuant to the business licence.

(2) Registered Capital Information

COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd. ("**COSCO SHIPPING Smart-Sailing**") was established on 14 February 2023 in the Lingang New Area of China (Shanghai) Pilot Free Trade Zone as a joint venture by COSCO SHIPPING International (Hong Kong) Co., Ltd. and COSCO SHIPPING Technology Co., Ltd., with a registered capital of RMB50,000,000. Among which, COSCO SHIPPING International (Hong Kong) Co., Ltd. contributed RMB25,500,000, representing a 51% equity interest, and COSCO SHIPPING Technology Co., Ltd. contributed RMB24,500,000, representing a 49% equity interest.

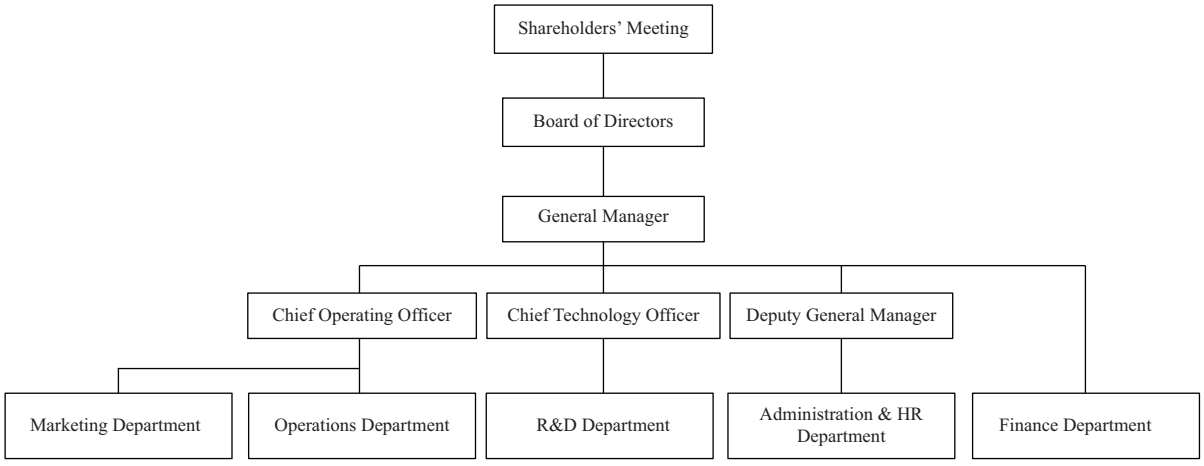
As at the Valuation Reference Date, the shareholding structure of COSCO SHIPPING Smart-Sailing was as follows:

Unit: RMB'0000

Name of Shareholders	Registered Capital	Paid-in Capital on books	Equity Interest
COSCO SHIPPING International (Hong Kong) Co., Ltd.	2,550	2,550	51%
COSCO SHIPPING Technology Co., Ltd.	2,450	2,450	49%
Total	5,000	5,000	100%

(3) Organisational Structure

The organisational structure of COSCO SHIPPING Smart-Sailing is set out below:



(4) Basic Information of the Enterprise and Major Assets

The founding vision of COSCO SHIPPING Smart-Sailing is to develop into a globally leading shipping service enterprise providing green, low-carbon and digital-intelligent solutions covering the full life cycle of the shipping industry.

As at the Valuation Reference Date, the principal assets of COSCO SHIPPING Smart-Sailing mainly comprised office equipment and software copyrights located at Shipping Building, No.700 Dongdaming Road, Hongkou District, Shanghai.

(5) Historical Operating Performance

The major financial information of COSCO SHIPPING Smart-Sailing for recent years has been audited by Baker Tilly China Certified Public Accountants (Special General Partnership), which has issued standard unqualified audit opinions. The relevant information is set out in the table below:

Unit: RMB'0000

Items	31 December 2023	31 December 2024	31 July 2025
Total Assets	4,737.90	2,682.26	2,152.05
Fixed Assets	13.81	16.75	59.68
Total Liabilities	48.18	128.55	979.48
Net Assets	4,689.72	2,553.71	1,172.57

Items	February to December 2023	2024	January to July 2025
Revenue	8.73	312.26	269.13
Total Profit	–310.28	–2,136.02	–1,381.14
Net Profit	–310.28	–2,136.02	–1,381.14

II. PURPOSE OF THE VALUATION

The purpose of this valuation is to estimate the entire equity value of COSCO SHIPPING Smart-Sailing (the "**Target Company**") in connection with the proposed capital increase by COSCO SHIPPING International (Hong Kong) Co., Ltd. and COSCO SHIPPING Technology Co., Ltd. (the "**Proposed Transaction**"), the results of which will serve as a basis for determining the consideration of the Proposed Transaction.

III. VALUATION SUBJECT AND SCOPE

(1) Valuation Subject and Scope

The subject matter and scope of this valuation are consistent with those involved in the Proposed Transaction.

The valuation subject is the entire equity value of COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd.

The valuation scope comprises all assets and liabilities of COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd. as at the Valuation Reference Date, as represented by COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd. The financial statements within the valuation scope have been audited by Baker Tilly China Certified Public Accountants (Special General Partnership), which issued a standard unqualified audit report (No. Tian Zhi Ye Zi [2025] No. 34008) with an emphasis of matter paragraph on 18 September 2025. According to the audit report, the auditors stated that:

> *"We have audited the financial statements of COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd. ("your company"), which comprise the statement of financial position as at 31 December 2024 and 31 July 2025, the statements of profit or loss, cash flows and changes in equity for the year ended 31 December 2024 and for the seven-month period ended 31 July 2025, and the related notes to the financial statements. In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the basis of preparation as described in Note II. (1)." The emphasis of matter paragraph states as follows: "We draw users' attention to Note II. (1) to the financial statements, which describes the basis of preparation. The financial statements of your company were prepared for the purposes of the proposed capital increase by the shareholders through subscription of newly increased registered capital, and for the related audit and valuation. Accordingly, the financial statements may not be suitable for any other purpose. Our opinion is not modified in respect of this matter."*

The details of the assets and liabilities within the valuation scope are set out below:

As at 31 July 2025 *Unit: RMB*

No.		Subject	Book Value
1	**I.**	**Total Current Assets**	**19,325,406.11**
2		Cash and cash equivalents	17,340,504.88
3		Trade receivables	1,090,038.25
4		Prepayments	3,000.00
5		Other receivables	427,477.00
6		Other current assets	464,385.98
7	**II.**	**Total non-current assets**	**2,195,106.89**
8		Fixed Assets	596,826.36
9		Long-term deferred expenses	1,598,280.53
10	**III.**	**Total assets**	**21,520,513.00**
11	**IV.**	**Total current liabilities**	**9,794,778.76**
12		Trade payables	857,845.00
13		Employee benefit payables	3,134,570.28
14		Tax payables	24,730.93
15		Other payables	5,777,632.55
16	**V.**	**Total liabilities**	**9,794,778.76**
17	**VI.**	**Net assets**	**11,725,734.24**

(2) Distribution and Characteristics of Tangible Assets

As at the Valuation Reference Date, the tangible assets of COSCO SHIPPING Smart-Sailing comprised electronic and office equipment. The details are set out below: A total of 33 items were identified, mainly including desktop computers, laptop computers, printers and office furniture. Such equipment was located within COSCO SHIPPING Smart-Sailing's office premises. The equipment was acquired during the period from 2023 to 2025. As at the Valuation Reference Date, the equipment included in the scope of this valuation was in good condition, properly maintained and in normal use.

(3) Intangible Assets Recognised or Unrecognised in the Accounts as Declared by the Enterprise

As at the Valuation Reference Date, COSCO SHIPPING Smart-Sailing owned 14 items of software copyrights, all of which were in normal use. On 6 August 2025, COSCO SHIPPING Smart-Sailing subsequently obtained three additional software copyrights. Given that the development and application procedures for such software copyrights had been completed as at the Valuation Reference Date, they were consistently included in the scope of this valuation. The registered owners of the above-mentioned software copyrights are all COSCO SHIPPING Smart-Sailing, and there are no other joint owners.

The details are set out below:

No.	Registration No.	Name and Content	Date of Acquisition
1	2024SR0265358	COSCO SHIPPING Smart-Sailing Spare Parts Purchaser Logistics Visualisation Software V1.0	9 February 2024
2	2024SR0151878	COSCO SHIPPING Smart-Sailing Spare Parts Transaction Data Dashboard Software V1.0	23 January 2024
3	2024SR0149235	COSCO SHIPPING Smart-Sailing Fuel Sunshine Procurement Report Generator Software V1.0	23 January 2024
4	2024SR0152268	COSCO SHIPPING Smart-Sailing Fuel Procurement Intelligent Entry Robotic Software V1.0	23 January 2024
5	2024SR0150038	COSCO SHIPPING Smart-Sailing Marine Spare Parts Intelligent Management Backend Software V1.0	23 January 2024
6	2024SR0148851	COSCO SHIPPING Smart-Sailing Spare Parts Intelligent Management Handheld Terminal App Software V1.0	23 January 2024
7	2024SR1763340	COSCO SHIPPING Smart-Sailing Overseas Fuel Transaction Data Dashboard Software V1.0	12 November 2024
8	2024SR1771525	COSCO SHIPPING Smart-Sailing Fuel Supplier Intelligent Recommendation Software V1.0	13 November 2024
9	2024SR1762482	COSCO SHIPPING Smart-Sailing Overseas Fuel Intelligent Price Inquiry Mini-program Software V1.0	12 November 2024
10	2024SR2063179	COSCO SHIPPING Smart-Sailing Marine Equipment Maintenance Cycle Prediction Software V1.0	12 December 2024
11	2024SR2063201	COSCO SHIPPING Smart-Sailing Marine Engine Condition Monitoring and Early Warning Software V1.0	12 December 2024
12	2024SR2074886	COSCO SHIPPING Smart-Sailing Marine Spare Parts RFQ and Quotation Email Parsing Software V1.0	13 December 2024
13	2025SR0156322	COSCO SHIPPING Smart-Sailing Marine Spare Parts Demand Forecasting Software V1.0	23 January 2025
14	2024SR2076073	COSCO SHIPPING Smart-Sailing Spare Parts Purchaser Logistics Visualisation Software V2.0	13 December 2024
15	2025SR1467334	COSCO SHIPPING Smart-Sailing Marine Supplies Handheld Terminal Management Software V1.0	6 August 2025
16	2025SR1467350	COSCO SHIPPING Smart-Sailing Marine Materials Intelligent Management Software V1.0	6 August 2025
17	2025SR1467385	COSCO SHIPPING Smart-Sailing Fuel Email Parsing Tool Software V1.0	6 August 2025

(4) Type and Quantity of Off-Balance-Sheet Assets Declared by the Enterprise

Save for the software copyrights disclosed above, COSCO SHIPPING Smart-Sailing has no other declared off-balance-sheet assets.

(5) Assets Involved in Conclusions of Reports Issued by Other Institutions (Type, Quantity, Book Value or Valuation Amount)

None.

IV. TYPE OF VALUE

The types of value adopted in valuation include market value and value types other than market value. Value types other than market value include but are not limited to investment value, value in use, liquidation value and residual value. As the purpose of this valuation is to provide a value reference for a transaction, and there are no special restrictions or requirements imposed on market conditions or the intended use of the valuation subject, market value has been selected as the type of value for this valuation in accordance with industry practice.

Market value refers to the estimated amount for which the valuation subject should exchange on the Valuation Reference Date between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

V. VALUATION REFERENCE DATE

The Valuation Reference Date is 31 July 2025.

In determining the Valuation Reference Date, the principal factors considered included satisfying the timing requirements for the implementation of the relevant transaction, and selecting an accounting period-end date to clearly define the valuation scope and to facilitate the efficient identification and verification of assets.

VI. BASES OF VALUATION

(1) Basis of the Economic Behaviour

The economic behaviour was approved in the《Minutes of the 18th Meeting of the 3rd Board of Directors of COSCO SHIPPING (Hong Kong) Co., Limited》(9 December 2025).

(2) Legal and Regulatory Bases

1. Asset Valuation Law of the People's Republic of China (Presidential Order No. 46);
2. Law of the People's Republic of China on State-owned Assets of Enterprises (adopted at the Fifth Meeting of the Standing Committee of the Eleventh National People's Congress on 28 October 2008);
3. Civil Code of the People's Republic of China (adopted at the Third Session of the Thirteenth National People's Congress on 28 May 2020);
4. Enterprise Income Tax Law of the People's Republic of China (adopted at the Fifth Session of the Tenth National People's Congress on 16 March 2007);
5. Implementation Regulations of the Enterprise Income Tax Law of the People's Republic of China (promulgated under State Council Order No. 512 and latest amended under State Council Order No. 714);
6. Administrative Measures for the Appraisal of State-owned Assets(Order of the State Council No. 91, latest revision by the Order of the State Council No. 732);

7. Detailed Rules for the Implementation of the Administrative Measures for the Appraisal of State-owned Assets (Document of the State-owned Assets Supervision and Administration Office [1992] No. 36);
8. Interim Regulations on the Supervision and Administration of State-owned Assets of Enterprises (Order of the State Council No. 378, latest revision by the Order of the State Council No. 709);
9. Opinions on Reforming the Administrative Mode of State-owned Assets Appraisal and Strengthening the Supervision and Administration of Asset Appraisal (Document of the State-owned Assets Supervision and Administration Office [2001] No. 102);
10. Interim Measures for the Administration of the Appraisal of State-owned Assets of Enterprises (Order of the SASAC of the State Council No. 12);
11. Measures for the Supervision and Administration of the Transactions of State-owned Assets of Enterprises (Order of the SASAC and the MOF No. 32);
12. Notice on Matters Concerning the Optimization of Asset Appraisal Management of Central Enterprises (Document on State-owned Property Management issued by the SASAC [2024] No. 8);
13. Provisions on Several Issues Concerning the Administration of State-owned Assets Appraisal (Order of the Ministry of Finance No. 14);
14. Notice on Issuing the Guidelines for the Filing of State-owned Assets Appraisal Projects of Enterprises (Document on State-owned Property Management issued by the SASAC [2013] No. 64);
15. Measures for the Financial Supervision and Administration of the Asset Appraisal Industry (Order of the Ministry of Finance No. 97);
16. Notice on Relevant Issues Concerning Strengthening the Administration of the Appraisal of State-owned Assets of Enterprises (Document on State-owned Property Management issued by the SASAC [2006] No. 274);
17. Notice on Matters Concerning the Review of Appraisal Reports on State-owned Assets of Enterprises (Document on State-owned Property Management issued by the SASAC [2009] No. 941);
18. Interim Regulations of the People's Republic of China on Value-added Tax (Issued by the State Council Order No. 134, latest revision by the State Council Order No. 691);
19. Detailed Rules for the Implementation of the Interim Regulations of the People's Republic of China on Value-added Tax (Issued by the Order of the MOF and the SAT No. 50, latest revision by the Order of the MOF and the SAT No. 65);
20. Notice on Comprehensively Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax (Circular of the Ministry of Finance and the State Taxation Administration [2016] No. 36);
21. Announcement on Policies Concerning Deepening the Reform of Value-Added Tax (Announcement of the MOF, SAT and GACC [2019] No. 39);

22. Company Law of the People's Republic of China (Second revision at the 7th Session of the Standing Committee of the 14th National People's Congress on 29 December 2023);
23. Notice on Adjusting Value-added Tax Rates (Circular of the Ministry of Finance and the State Taxation Administration [2018] No. 32);
24. Other laws, regulations and normative documents relevant to asset valuation.

(3) Bases of Valuation Standards

1. Basic Standards for Asset Valuation (Circular of the Ministry of Finance on State-owned Assets and Funds Management [2017] No. 43);
2. Code of Ethics for Asset Valuation (Document of the CAS [2017] No. 30);
3. Asset Valuation Practice Standards — Asset Valuation Procedures(Document of the CAS [2018] No. 36);
4. Asset Valuation Practice Standards — Asset Valuation Reports (Document of the CAS [2018] No. 35);
5. Asset Valuation Practice Standards — Asset Valuation Methods (Document of the CAS [2019] No. 35);
6. Asset Valuation Practice Standards — Asset Valuation Engagement Contracts (Document of the CAS [2017] No. 33);
7. Asset Valuation Practice Standards — Utilization of the Work of Experts and Relevant Reports (Document of the CAS [2017] No. 35);
8. Asset Valuation Practice Standards — Enterprise Value (Document of the CAS [2018] No. 38);
9. Asset Valuation Practice Standards — Intangible Assets (Document of the CAS [2017] No. 37);
10. Asset Valuation Practice Standards — Machinery and Equipment (Document of the CAS [2017] No. 39);
11. Asset Valuation Practice Standards — Asset Valuation Archives (Document of the CAS [2018] No. 37);
12. Guidelines for Reports on Valuation of State-owned Assets of Enterprises (Document of the CAS [2017] No. 42);
13. Guidelines for Quality Control of Operational Activities of Asset Valuation Agencies (Document of the CAS [2017] No. 46);
14. Guiding Opinions on Types of Value for Asset Valuation (Document of the CAS [2017] No. 47);
15. Guiding Opinions on Legal Ownership of Asset Valuation Subjects (Document of the CAS [2017] No. 48);
16. Terminology of Asset Valuation Standards 2020 (Document of the CAS [2020] No. 31).

(4) Proof of Ownership

1. Registration Certificates of Computer Software Copyright;
2. Other Ownership Documents.

(5) Bases of Pricing

1. Relevant agreements, contracts, invoices and other information;
2. Relevant laws, regulations and standards issued by the State and local authorities;
3. On-site inspection records of the appraisers;
4. Relevant inquiry and reference materials collected by the appraisal agency;
5. Relevant data from iFinD Information;
6. Valuation declaration schedules and relevant information provided by the appraised entity;
7. Appraisal application materials and other relevant information provided by the appraised entity.

(6) Other Reference Bases

1. Purchase contracts or invoices of major assets of the appraised entity;
2. Operational statistics provided by the appraised entity.

VII. VALUATION METHODS

(1) Selection of Valuation Methods

In accordance with the *Asset Valuation Practice Standards — Enterprise Value*, when performing an enterprise value valuation business, the applicability of the three basic methods, namely the income approach, the market approach, and the cost approach (asset-based approach), should be analyzed to select the valuation methods based on relevant conditions such as the valuation purpose, valuation subject, value type, and availability of information.

As all assets and liabilities of the appraised entity can be appraised individually, the conditions for applying the asset-based approach are satisfied. Accordingly, the asset-based approach has been adopted in this valuation.

While the principal business of the Target Company is software development and operation, and its future earnings can be forecasted, the income approach is not adopted for the conclusion of this valuation. As at the Valuation Reference Date, the development costs of such software had been largely incurred and were relatively complete, while its profitability remains uncertain. Moreover, the revenues and costs of future newly developed projects could not be reasonably considered in the valuation. Accordingly, compared with future earnings forecasts, the asset-based approach more appropriately and reasonably reflects the actual development costs of the software.

Due to the difficulty in identifying listed companies or transaction cases comparable to the Target Company in terms of development stage, it is difficult to select suitable market comparables. Therefore, the conditions for applying the market approach are not satisfied.

Therefore, the asset-based approach was applied, and, after comprehensive analysis, the results of the asset-based approach were eventually adopted as the valuation conclusion.

(2) Asset-based Approach

The asset-based approach in enterprise valuation is a method that determines the value of the appraisal object by assessing both the on-balance-sheet and identifiable off-balance-sheet assets and liabilities of the appraised enterprise, based on its balance sheet as of the valuation reference date, with appropriate valuation methods selected for individual assets according to their specific circumstances.

The specific valuation methods adopted in this valuation are as follows:

1. ***Cash and Cash Equivalents***

Cash and cash equivalents consist of bank deposits. In the valuation, based on the detailed schedules provided by COSCO SHIPPING Smart-Sailing, the asset valuation declaration forms, bank journals, general ledgers, bank statements issued by the opening banks and bank reconciliation statements were reviewed and cross-checked. Relevant confirmation materials issued by the audit institution were obtained and reviewed, and outstanding items were examined. The valuation was determined based on the verified book value.

2. ***Trade Receivables, Prepayments and Other Receivables***

After reconciling the general ledger, sub-ledgers and the financial statements, the appraisers verified the nature and time of trade receivables, prepayments and other receivables, and confirmed the book value as of the Valuation Reference Date is true and accurate. The appraisers determined the amount of each sum by analyzing the details and aging of the sums, and determined the appraised values based on the verified book values as at the Valuation Reference Date.

3. ***Other Current Assets***

In accordance with the valuation procedures, the appraisers reconciled and verified the accounting books of other current assets and conducted spot checks on relevant vouchers. The appraised values were determined based on the appraisers' professional judgment based on specific circumstances.

4. ***Fixed Assets — Equipment***

Based on the appraisal purpose and the characteristics of the assets, and assuming their continued use for their existing purposes, the electronic equipment acquired in recent years was appraised using the cost approach on the basis of on-site inspection.

Basic formula: Valuation value = Replacement cost × Condition rate

(a) *Determination of replacement cost*

For electronic equipment with observable current market prices, the replacement cost was determined by reference to the relevant current market prices selected after analysis. For equipment without observable current market prices, the replacement cost was estimated based on the market prices of functionally comparable substitute products, subject to appropriate adjustments. In cases where reliable quotation sources were unavailable, and the original acquisition costs were verified to be true and complete, the replacement cost was estimated by applying relevant price index adjustments to the original acquisition costs to reflect prices as at the Valuation Reference Date.

As at the Valuation Reference Date, COSCO SHIPPING Smart-Sailing was a general taxpayer, and input Value-added Tax ("**VAT**") on fixed assets was creditable. Accordingly, acquisition prices exclusive of VAT were adopted in determining the replacement cost. The formula for calculation of the replacement cost is as follows:

Replacement cost = Acquisition price − Creditable input VAT included in the acquisition price

(b) *Determination of condition rate*

For electronic equipment, the condition rate was primarily determined based on the remaining economic useful life.

Formula: Remaining useful condition rate = Remaining economic life ÷ Economic useful life × 100%

5. ***Intangible Assets — Other Intangible Assets***

Other intangible assets mainly comprise software copyrights developed by the company. Given their high degree of specificity, comparable market transaction cases could not be identified, rendering the market approach inapplicable. Meanwhile, as most of such software had not yet directly generated income as at the Valuation Reference Date, and the expected future direct income could not be clearly distinguished from or quantified separately from the contributions of other tangible and intangible assets, the

income approach was also not applicable. However, the company maintained clear records of the software development process, and as the valuation subject comprised the full proprietary rights of such software copyrights, the replacement cost could be matched to such rights. Accordingly, the cost approach was adopted for this valuation.

In assessing the value of such software copyrights by applying the cost approach, valuation professionals communicated with the company's development, finance and management personnel, reviewed and examined internal documentation of the software, verified and analysed the financial data during the software development period, and, in combination with the valuation principles and key parameters under the cost approach, estimated the valuation and ultimately determined the valuation results.

Software copyright valuation value = Replacement cost × (1 – Depreciation rate)

Where:

Replacement cost = Software development costs + Capital costs + Reasonable profit

6. ***Long-term Deferred Expenses***

After verifying the authenticity, completeness and reasonableness of each item of long-term deferred expenses in accordance with valuation procedures, the valuation was determined based on the verified amounts.

7. ***Liabilities***

Following verification of the authenticity, liabilities were determined based on the actual amounts required to be measured by the appraised entity as at the Valuation Reference Date.

VIII.IMPLEMENTATION OF VALUATION PROCEDURES

(1) Acceptance of Engagement

Following discussions with the clients of this valuation (namely, COSCO SHIPPING International (Hong Kong) Co., Ltd., COSCO SHIPPING Technology Co., Ltd. and COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd.) on the assets and valuation matters such as the valuation purpose, valuation subject, valuation scope, and the valuation reference date, the valuer confirmed the acceptance of the engagement and entered into a valuation engagement contract after a comprehensive analysis of competency, independence and professional risks. Based on the specific circumstances, the value type, work plan, and valuation team were determined.

(2) Site Inspection and Data Collection

The valuer guided the appraised entity in conducting asset inventories and preparing valuation materials. On this basis, the valuer conducted on-site investigations on the appraisal object and collected materials required for the valuation business to understand the current status of the assets, operations, and finances, as well as the macro and regional economic factors affecting the operation of the enterprise, and the status and development prospects of the industry. The legal ownership of the appraisal object was examined, and all valuation materials were verified in accordance with the law.

(3) Valuation and Estimation

The collected valuation materials were analyzed, summarized, and organized to form the basis for valuation and the preparation of the valuation report. The valuation methods were selected in accordance with the practice standards for asset appraisal based on the valuation purpose, appraisal object, value type, data collection, and other relevant conditions. Based on the valuation methods adopted, relevant formulas and parameters were selected for analysis, calculation, and judgment. Assumptions and limitations that might affect the valuation business and the valuation conclusion were analyzed and evaluated to form the calculation results. After a comprehensive analysis of the calculation results, the valuation conclusion was formed.

(4) Issuance of Report

After the project leader made assessment and estimate to form the valuation conclusion, a preliminary valuation report was prepared. In accordance with the laws, administrative regulations, asset appraisal standards, and the internal quality control system, the valuer conducted an internal review of the preliminary valuation report. After necessary communication with the clients and other relevant parties regarding the contents of the report, the final valuation report was issued.

IX. VALUATION ASSUMPTIONS

The major valuation assumptions adopted in this Report include:

(1) Basic Assumptions

1. Transaction Assumption. The transaction assumption assumes that all appraised assets are considered to be in the process of a transaction, with valuation based on simulated market conditions.

2. Open Market Assumption. The open market assumption assumes that the assets can be traded freely in a fully competitive market. The price depends on the judgment of the independent buyer and seller on the value of the assets under market supply conditions. An open market refers to a fully competitive market with numerous buyers and sellers, where they have equal standing and have sufficient opportunities and time to obtain market information. The transaction is conducted by both parties voluntarily and rationally, under non-compulsory or unrestricted conditions.

3. Going Concern Assumption. The going concern assumption assumes that the business activities of an operating entity can be continued, and the entity will not be suspended or terminated in the foreseeable future.

(2) Specific Assumptions

1. There are no material changes in the current relevant laws, regulations and policies of the State, or in the macro-economic situation. There are no material changes in the political, economic and social environments of the regions where the parties to the transaction are located. There are no other material adverse impacts caused by unpredictable factors or force majeure.
2. COSCO SHIPPING Smart-Sailing's operators are assumed to be responsible, and management capable of performing their duties.
3. Unless stated otherwise, COSCO SHIPPING Smart-Sailing is assumed to be in full compliance with all applicable laws and regulations.
4. COSCO SHIPPING Smart-Sailing's future accounting policies are assumed to be materially consistent with those applied in this report.
5. COSCO SHIPPING Smart-Sailing's business scope and operations are assumed to remain consistent with the current state, based on the existing management structure and capability.
6. There are no material changes in the relevant interest rates, exchange rates, tax bases and tax rates, and policy-based charges.
7. There are no other force majeure events or unforeseen factors that could materially adversely affect COSCO SHIPPING Smart-Sailing.
8. Net cash flows are assumed to occur evenly each year, with income, costs, expenses, and capital expenditures recognized uniformly each year.

In accordance with asset appraisal requirements, these assumptions are considered valid as at the Valuation Reference Date. No responsibility shall be assumed for any differences in valuation conclusions resulting from changes in these assumptions due to significant changes in future economic conditions.

X. VALUATION ANALYSIS

Valuation Method — Asset-Based Approach

The asset-based approach in enterprise valuation is a method that determines the value of the appraisal object by assessing both the on-balance-sheet and identifiable off-balance-sheet assets and liabilities of the appraised enterprise, based on its balance sheet as of the valuation reference date, with appropriate valuation methods selected for individual assets according to their specific circumstances.

The specific valuation methods adopted in this valuation are set out below.

(1) Cash and Cash Equivalents

1. *Bank deposits*

The book value of bank deposits is RMB17,340,504.88. According to the valuation procedures, the bank journals, general ledgers, bank statements issued by the opening banks and bank reconciliation statements were reviewed and cross-checked, and relevant confirmation materials regarding the large-value deposits were obtained from the opening banks. Reconciling items in bank balances were examined and the underlying reasons for such discrepancies were identified. The value of bank deposits was appraised to be RMB17,340,504.88, which was determined based on the verified unrecognized interest income of bank deposits as at the Valuation Reference Date.

(2) Trade Receivables, Prepayments and Other Receivables

1. *Trade receivables*

The original book value of trade receivables is RMB1,093,510.00, with bad debt provision of RMB3,471.75 and net book value of RMB1,090,038.25. Trade receivables consist of amounts due for software sales, technical services, maintenance and operations services, etc. The valuer has gained an understanding of the formation process and recoverability of each trade receivable. No definitive evidence was found to indicate that any specific amounts are unrecoverable. However, it was unable to determine the bad debt at zero due to the uncertainty about the specific timing of recovery or whether the full amounts can be recovered, therefore, the appraised risk loss of RMB3,471.75 was recognized.

Consequently, the appraised value of the trade receivables was determined to be RMB1,090,038.25.

2. *Prepayments*

The book value of prepayments is RMB3,000.00, which represents the amount repaid for information system service. According to the valuation procedures, and in conjunction with the relevant contracts and supporting vouchers, all prepaid expense accounts and vouchers were verified and examined. Upon review, the payments were found to be genuine and reasonable, with no evidence indicating that the corresponding services cannot be fulfilled. Accordingly, the valuation of the prepaid items is determined at the verified book value of RMB3,000.00.

3. *Other receivables*

The original book value of other receivables is RMB427,477.00, with nil bad debt provision and net book value of RMB427,477.00. Other receivables represent the deposits receivable by the company. The valuer has gained an understanding of the formation process and recoverability of each trade receivable. No definitive evidence was found to indicate that any specific amounts are unrecoverable.

Consequently, the appraised value of the other receivables was determined to be RMB427,477.00.

(3) Other Current Assets

The other current assets represent deductible input VAT, with a book value of RMB464,385.98. In accordance with the valuation procedures, the accounting books of other current assets and samples of supporting vouchers were verified and examined. Upon review, the items were found to be genuine and reasonable, and the valuer determined the appraised value of the items based on the specific circumstances.

The valuation of other current assets is appraised to be RMB464,385.98.

(4) Fixed Asset — Equipment-class

1. *Scope of valuation*

The quantities and book values of the equipment-class fixed assets within the scope of this valuation as at the Valuation Reference Date are as shown in the table below:

Summary Table of Equipment-class Fixed Assets

Unit: RMB

No.	Item	Quantity (Units)	Original Book Value	Net Book Value
1	Electronic equipment	33	719,144.21	596,826.36
	Total	33	719,144.21	596,826.36

2. *Overview of the fixed assets*

There are a total of 33 items of electronic equipment, mainly including PCs, laptops, printers and office furniture, all of which are situated within the office space of the company and were acquired between 2023 and 2025. As at the Valuation Reference Date, the electronic office equipment included in the scope of this valuation was in good condition, properly maintained and in normal use.

3. *Valuation method*

Given the valuation purpose and asset profile, the cost approach was applied in the valuation of newly acquired electronic equipment based on the going-concern assumption of continued use for their existing purposes and substantiated by on-site inspection.

Basic formula: Valuation value = Replacement cost × condition rate

(a) *Determination of replacement cost*

For electronic equipment with observable current market prices, the replacement cost was determined by reference to the relevant current market prices selected after analysis. For equipment without observable current market prices, the replacement cost was estimated based on the market prices of functionally comparable substitute products, subject to appropriate adjustments. In cases where reliable quotation sources were unavailable, and the original acquisition costs were verified to be true and complete, the replacement cost was estimated by applying relevant price index adjustments to the original acquisition costs to reflect prices as at the Valuation Reference Date.

As at the Valuation Reference Date, COSCO SHIPPING Smart-Sailing was a general taxpayer, and input VAT on fixed assets was creditable. Accordingly, acquisition prices exclusive of VAT were adopted in determining the replacement cost. The formula used to calculate the replacement cost is as follows:

Replacement cost = Acquisition price – Creditable input VAT included in the acquisition price

(b) *Determination of the Condition Rate*

For electronic equipment, the condition rate is primarily determined based on its remaining economic life. The calculation formula is as follows:

Condition Rate = Remaining Economic Life ÷ Economic Useful Life × 100%

4. *Valuation Results*

Following the valuation, the valuation results for the equipment-class fixed assets as of the Valuation Reference Date (31 July 2025) are set out in the table below:

Summary Table of Valuation for Equipment-class Fixed Assets

Unit: RMB

		Book Value		Appraised Value			
No.	Account Name	Historical Cost	Net Value	Historical Cost	Net Value	Appreciation	Appreciation Rate
1	Electronic Equipment	719,144.21	596,826.36	686,859.00	619,452.23	22,625.87	3.79%
	Total	719,144.21	596,826.36	686,859.00	619,452.23	22,625.87	3.79%

After valuation, the appraised value of equipment-class fixed assets increased by RMB22,625.87, representing an appreciation rate of 3.79%.

Analysis of Reasons for the Change in Valuation:

The decrease in the appraised historical cost value of electronic equipment is primarily attributable to the rapid technological upgrading in the electronics industry, which has led to a downward trend in the market purchase prices for such equipment. The increase in the appraised net value is primarily due to the fact that the economic useful life adopted in the valuation is longer than the accounting depreciation period applied by the company, thereby leading to a higher appraised net value in the valuation conclusion.

5. *Valuation Case*

Case 1: Lenovo Laptop-ThinkPad X1-Item 14, Detailed Schedule of Verification and Valuation for Electronic Equipment

(i) *Asset Overview*

Asset Name: Lenovo Laptop — ThinkPad X1
Model: ThinkPad X1
Manufacturer: Lenovo
Cost: RMB10,619.47
Book Net Value: RMB6,194.69
Commencement Date: April 2024

(ii) *Main Technical Specifications*

Lenovo ThinkPad X1 Carbon 2022, 14-inch lightweight notebook computer, 12th Gen i7–1260P/16GB RAM/512GB SSD/2.2K display/ integrated graphics/Professional Edition OS/2-year warranty/mouse included.

(iii) *Determination of Replacement Cost*

Equipment Acquisition Cost = Equipment Purchase Price + Freight and Miscellaneous Charges + Installation and Commissioning Costs

1. Based on online market price inquiries and in conjunction with relevant financial information provided by the enterprise, the VAT-inclusive purchase price of this equipment model was determined to be RMB9,700.00 per unit.
2. Freight and Miscellaneous Charges: The equipment was delivered directly to the site, and transportation costs were included in the purchase price. Accordingly, no additional transportation costs were recognised.
3. Installation and Commissioning Costs: The equipment does not require installation; therefore, no installation or commissioning costs were recognised.
4. VAT: In accordance with relevant national tax policies, input VAT on fixed asset purchases is deductible.

   Deductible VAT = Equipment purchase price × 13% ÷ (1 + 13%) + (Freight and Miscellaneous Charges + Installation and Commissioning Costs) × 9% ÷ (1 + 9%)

   = RMB9,700.00 × 13% ÷ (1 + 13%) + RMB0.00 × 9% ÷ (1 + 9%)
   = RMB1,115.93

5. Determination of Replacement Cost

   Replacement Cost = Equipment Purchase Price + Freight and Miscellaneous Charges + Installation and Commissioning Costs – Deductible VAT

   = RMB9,700.00 + RMB0.00 + RMB0.00 – RMB1,115.93
   = RMB8,600.00 (rounded to the nearest hundred)

(iv) *Determination of the Condition Rate*

Based on on-site inspection, the valuation personnel determined that the equipment is in normal operating condition. The economic useful life for this category of equipment is 5 years. As of the Valuation Reference Date, the equipment has been in service for 1.27 years, a remaining economic life of 3.73 years.

Condition Rate = Remaining Economic Life ÷ Economic Useful Life × 100%

= 3.73 Years ÷ 5 Years × 100%
= 75% (rounded)

(v) *Determination of Appraised Value*

Appraised Value = Replacement Cost × Condition Rate

= RMB8,600.00 × 75%
= RMB6,450.00 (rounded)

(5) Intangible Assets — Other Intangible Assets

Other intangible assets comprise off-balance-sheet software copyrights. As of the Valuation Reference Date, the company holds 14 software copyrights, all of which are in normal operation with undisputed ownership. On 6 August 2025, the company newly obtained 3 additional software copyrights. Given that the research, development, and filing procedures for these copyrights had been substantively completed as of the Valuation Reference Date, they are included in the scope of this valuation upon consensus. The registered rights holder for all aforementioned software copyright certificates is COSCO SHIPPING Smart-Sailing. There are no other third-party interests or encumbrances.

No.	Registration No.	Name and Content	Date of Acquisition
1	2024SR0265358	COSCO SHIPPING Smart-Sailing Spare Parts Purchaser Logistics Visualisation Software V1.0	9 February 2024
2	2024SR0151878	COSCO SHIPPING Smart-Sailing Spare Parts Transaction Data Dashboard Software V1.0	23 January 2024
3	2024SR0149235	COSCO SHIPPING Smart-Sailing Fuel Sunshine Procurement Report Generator Software V1.0	23 January 2024
4	2024SR0152268	COSCO SHIPPING Smart-Sailing Fuel Procurement Intelligent Entry Robotic Software V1.0	23 January 2024

No.	Registration No.	Name and Content	Date of Acquisition
5	2024SR0150038	COSCO SHIPPING Smart-Sailing Marine Spare Parts Intelligent Management Backend Software V1.0	23 January 2024
6	2024SR0148851	COSCO SHIPPING Smart-Sailing Spare Parts Intelligent Management Handheld Terminal App Software V1.0	23 January 2024
7	2024SR1763340	COSCO SHIPPING Smart-Sailing Overseas Fuel Transaction Data Dashboard Software V1.0	12 November 2024
8	2024SR1771525	COSCO SHIPPING Smart-Sailing Fuel Supplier Intelligent Recommendation Software V1.0	13 November 2024
9	2024SR1762482	COSCO SHIPPING Smart-Sailing Overseas Fuel Intelligent Price Inquiry Mini-program Software V1.0	12 November 2024
10	2024SR2063179	COSCO SHIPPING Smart-Sailing Marine Equipment Maintenance Cycle Prediction Software V1.0	12 December 2024
11	2024SR2063201	COSCO SHIPPING Smart-Sailing Marine Engine Condition Monitoring and Early Warning Software V1.0	12 December 2024
12	2024SR2074886	COSCO SHIPPING Smart-Sailing Marine Spare Parts RFQ and Quotation Email Parsing Software V1.0	13 December 2024
13	2025SR0156322	COSCO SHIPPING Smart-Sailing Marine Spare Parts Demand Forecasting Software V1.0	23 January 2025
14	2024SR2076073	COSCO SHIPPING Smart-Sailing Spare Parts Purchaser Logistics Visualisation Software V2.0	13 December 2024
15	2025SR1467334	COSCO SHIPPING Smart-Sailing Marine Supplies Handheld Terminal Management Software V1.0	6 August 2025
16	2025SR1467350	COSCO SHIPPING Smart-Sailing Marine Materials Intelligent Management Software V1.0	6 August 2025
17	2025SR1467385	COSCO SHIPPING Smart-Sailing Fuel Email Parsing Tool Software V1.0	6 August 2025

The aforementioned software copyrights were developed internally and are highly specialized. Given the lack of comparable market transaction cases for similar software, the Market Approach is considered inapplicable. Furthermore, as of the Valuation Reference Date, most of the subject software has not yet generated direct revenue. The future economic benefits attributable solely to the software copyrights cannot be clearly identified or reliably quantified, as they cannot be reasonably segregated from the contributions of other tangible and intangible assets. Thus, the income approach cannot be reliably applied. However, the company maintains comprehensive R&D process records. As the valuation object comprises all proprietary interests in the above-mentioned software copyrights, the replacement cost can be accurately identified and aligned with such interests. Therefore, the Cost Approach is adopted for this valuation.

During the valuation of the aforementioned software copyright assets using the Cost Approach, the professional valuers conducted communications and interviews with the company's R&D, financial, and management personnel. Internal documentation was reviewed and audited, and financial data relating to the software's development period was verified and analyzed. Based on the Cost Approach and the principles applied in determining key parameters, the valuers carried out the assessment and estimation and ultimately derived the valuation results.

Consequently, the appraised value of Other Intangible Assets is determined to be RMB38,554,800.00.

Case: 17 Software Copyrights, including COSCO SHIPPING Smart-Sailing Spare Parts Purchaser Logistics Visualisation Software V1.0 — Items 1-17, Verification and Valuation Schedule of Other Intangible Assets.

The subject software was developed through a combination of in-house and outsourced efforts, for which the software copyrights have been obtained. The valuation personnel verified the development ledgers, contracts, payment vouchers, and other supporting documents provided by the company. Furthermore, on-site interviews were conducted with relevant technical personnel to investigate and understand crucial information, including the R&D process, technical level, technical maturity, technological update speed, cost structure, and expected lifespan of the software. Based on these findings, the development costs are determined as follows:

Unit: RMB'0000

Cost Component	**Amount**
Direct Labor Cost	234.82
Outsourced Development Cost	1,250.00
Administrative Expenses	1,827.45
Other Indirect Expenses	33.05
Total Development Cost	**3,345.32**

The direct labor costs, outsourced development costs, and other indirect expenses are from the company's R&D ledgers. The administrative expenses are calculated based on the 2024 ratio of the company's total administrative expenses to its total R&D expenditures.

The reasonable development period for the aforementioned software copyrights is determined to be 2 years. The Cost of Capital is calculated using the average Loan Prime Rate (LPR) for 1-year and 5-year terms as of the Valuation Reference Date. Formula:

Cost of Capital = Development Cost × Reasonable Development Period × Benchmark Interest Rate ÷ 2

= RMB33.4532 million × 2 Years × 3.25% ÷ 2
= RMB1.0872 million

After collection and analysis of industry-standard profit margins and considering the project-specific risk profile, the reasonable profit rate is determined to be 14%.

Reasonable Profit = Development cost × Reasonable profit rate

= RMB33.4532 million × 14%
= RMB4.6834 million

Replacement Cost = Software development cost + Capital cost + Reasonable profit

= RMB33.4532 million + RMB1.0872 million + RMB4.6834 million
= RMB39.2239 million

Appraised Value of Software Copyrights = Replacement Cost × (1 – Depreciation Rate)

As intangible assets lack physical substance, no physical depreciation was considered. The professional valuers have observed that the subject software is operating normally and that market expansion is progressing steadily. As there are no material adverse effects on the value of the intangible assets arising from changes in the external economic environment, economic obsolescence has not been incorporated in the calculation. Functional obsolescence refers to the absolute or relative decline in value of an intangible asset caused by technological progress. Based on consultations with industry technical experts, the valuers have determined that the development languages and environments of the subject software are relatively mature and highly specialized. Since development completion, no new technologies have emerged to replace or supersede the existing functions. As the software maintains its functional uniqueness and technical edge, functional obsolescence is not considered in this appraisal.

Appraised Value of Software Copyright
= RMB39.2239 million × (1 – 0%)
= RMB39.2239 million

(6) Long-term Deferred Expenses

The book value of long-term deferred expenses was RMB1,598,280.53, primarily representing unamortized renovation and decoration costs for the corporate office. The valuers verified the authenticity of these expenses by sampling contracts and reconciling the company's financial ledgers and vouchers. Based on the verification of the remaining benefit period and the associated future economic benefits, the appraised value of the long-term deferred expenses is determined to be RMB1,598,280.53.

(7) Trade Payables and Other Payables

The book value of trade payables amounted to RMB857,845.00, primarily consisting of payables for technical service fees and related hardware procurement. Following verification of the authenticity and completeness of each item in accordance with valuation procedures, the appraised value of trade payables was determined to be RMB857,845.00.

The book value of other payables amounted to RMB5,777,632.55, mainly comprising payable renovation costs, withheld and payable taxes and fees, and technology development fees. After verification of the authenticity and completeness of each item in accordance with valuation procedures, the appraised value of other payables was determined to be RMB5,777,632.55.

(8) Employee Benefits Payable

The book value of employee benefits payable amounted to RMB3,134,570.28, primarily comprising salaries and annuities. Following verification of authenticity and completeness of each item in accordance with valuation procedures, the appraised value was determined to be RMB3,134,570.28.

(9) Tax Payables

The book value of tax payables amounted to RMB24,730.93, primarily representing individual income tax. Based on the asset valuation declaration schedules provided by the enterprise, the valuers reconciled ledger records and financial statements, reviewed applicable tax rates and preferential policies, and verified the authenticity and reasonableness of the amounts. Accordingly, the appraised value of tax payables was determined to be RMB24,730.93.

XI. VALUATION CONCLUSION

(1) Results of the Asset-based Approach

As at the Valuation Reference Date of 31 July 2025, the book value of total assets of COSCO SHIPPING Smart-Sailing was RMB21,520,500, the book value of total liabilities was RMB9,794,800, and the book value of net assets was RMB11,725,700. Upon valuation, the appraised value of total assets was RMB60,767,100, the appraised value of total liabilities was RMB9,794,800, and the appraised value of net assets was RMB50,972,300. Compared with their book values, the appraised values of total assets and net assets each increased by RMB39,246,600, representing appreciation rates of 182.37% and 334.71%, respectively. The details are set out in the table below:

Summary Table of Valuation Results
Valuation Reference Date: 31 July 2025
Appraised Entity: COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd.

Unit: RMB'0000

Item		Book Value A	Appraised Value B	Appreciation C = B–A	Appreciation Rate D=C/A×100%
1	Current Assets	1,932.54	1,932.54	0.00	0.00%
2	Fixed Assets	59.68	61.95	2.27	3.80%
3	Intangible Assets	0.00	3,922.39	3,922.39	—
4	Long-term Deferred Expenses	159.83	159.83	0.00	0.00%
5	Non-current Assets	219.51	4,144.17	3,924.66	1,787.92%
6	**Total Assets**	**2,152.05**	**6,076.71**	**3,924.66**	**182.37%**
7	Current Liabilities	979.48	979.48	0.00	0.00%
8	Non-current Liabilities	—	—	—	—
9	**Total Liabilities**	**979.48**	**979.48**	**0.00**	**0.00%**
10	**Net Asset (Equity Attributable to Owners)**	**1,172.57**	**5,097.23**	**3,924.66**	**334.71%**

The intangible assets appraisal increased by RMB39.2239 million. The evaluation of off-balance-sheet intangible assets, software copyrights, led to the appreciation. The appraisal value of equipment-class fixed assets increased by RMB22,700, mainly because the economic useful life of the assets adopted in the asset appraisal was longer than the enterprise's depreciation period, resulting in the appreciation.

(2) Valuation Conclusion

The asset-based approach assesses the enterprise value from the perspective of asset replacement by valuing each individual asset and taking into account the related liabilities.

The valuation result under the asset-based approach was higher than the book value, primarily because the software copyrights that make a major contribution to COSCO SHIPPING Smart-Sailing's earnings are off-balance-sheet assets. Under the asset-based approach, the development costs of such software copyrights were recognised through the cost approach.

The results of the asset-based approach are adopted as the final valuation conclusion. As at the Valuation Reference Date of 31 July 2025, the appraised value of the entire equity interest of shareholders of COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd. was RMB50,972,300 (rounded to the nearest hundred).

The validity period of this valuation conclusion is one year, commencing from 31 July 2025 and expiring on 30 July 2026.

XII. SPECIAL MATTERS

(1) Significant Use of Experts' Work and Relevant Reports

The financial statements corresponding to the on-balance sheet assets and liabilities declared by the enterprise have been audited by Baker Tilly China Certified Public Accountants (Special General Partnership), which has issued the Audit Report Tian Zhi Ye Zi [2025] No. 34008 with a standard unqualified opinion containing an emphasis of matter paragraph. The emphasis of matter paragraph states as follows: "*We draw users' attention to Note II, (I) Explanation of the Basis of Preparation of the Financial Statements. Your company's financial statements were prepared solely for the purpose of this capital contribution to your company, whereby the shareholders subscribe for newly issued registered capital, and for the related audit and valuation. Accordingly, the financial statements are not intended for any other purpose. Our opinion is not modified in respect of this matter.*" For the purpose of this valuation, the audited book values were adopted as the basis for valuation.

(2) Incomplete or Defective Ownership Documentation

None.

(3) Restrictions on the Performance of Valuation Procedures

None.

(4) Incomplete Valuation Information

None.

(5) Pending Legal, Economic or Other Matters as at the Valuation Reference Date

None.

(6) Nature and Amount of Guarantees, Leases and Contingent Liabilities (Contingent Assets) and their Relationship with the Appraisal Object

None.

(7) Material Subsequent Events

None.

(8) Defects in the Economic Behavior Corresponding to the Asset Valuation that May Have a Material Impact on the Valuation Conclusion

None.

(9) Others

On 6 August 2025, the appraised entity obtained three new software copyrights. Given that the relevant work, such as development and registration application, had been completed as at the Valuation Reference Date, they were included in the scope of this valuation.

No.	Registration No.	Name and Content	Date of Acquisition
1	2025SR1467334	COSCO SHIPPING Smart-Sailing Marine Supplies Handheld Terminal Management Software V1.0	6 August 2025
2	2025SR1467350	COSCO SHIPPING Smart-Sailing Marine Materials Intelligent Management Software V1.0	6 August 2025
3	2025SR1467385	COSCO SHIPPING Smart-Sailing Fuel Email Parsing Tool Software V1.0	6 August 2025

XIII. DATE OF THE ASSET VALUATION REPORT

The date of this Asset Valuation Report is 31 December 2025.

XIV. MATERIAL DIFFERENCES BETWEEN ASSET BOOK VALUE AND VALUATION RESULTS

As at the Valuation Reference Date of 31 July 2025, the appraised value of the entire equity of COSCO SHIPPING Smart-Sailing was RMB50,972,300, representing an appreciation of RMB39,246,600 or 334.71% as compared with the book value of the entire equity of RMB11,725,700.

The material difference between asset book value and valuation results is mainly attributable to the fact that as a light-asset enterprise focused on software development and operations, COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd. derives its principal enterprise value from the value of its software copyrights, which are not reflected in the book value. During the valuation, the asset-based approach was adopted to assess the software copyrights, resulting in the discrepancy between the asset book value and the valuation results.

According to the valuation, the appraised value of equipment under the fixed assets represented an appreciation of RMB22,700 or 3.80% over its book value.

The primary factor contributing to the depreciation of the original cost of electronic equipment is the decrease in the market replacement cost due to the rapid pace of technological upgrading in the electronics industry. The increase in the appraised net value is primarily attributable to the economic useful life adopted for the valuation which is longer than the accounting depreciation period.

The appreciation of intangible assets amounting to RMB39,223,900 is due to the recognition and valuation of off-balance-sheet intangible assets, specifically software copyrights.

I. OVERVIEW OF THE APPRAISED ENTITY

(1) Basic Information

Chinese Name:	遠通海運設備服務有限公司
English Name:	YUANTONG MARINE SERVICE CO. LIMITED
Address:	FLAT/RM 3–9, BLK 2, 27/F KOWLOON COMMERCE CENTRE, 51 KWAI CHEONG ROAD KWAI CHUNG, HONG KONG
Nature of Business:	TRADING
Status:	BODY CORPORATE
Certificate Number:	16824301-000-11-24-9

Yuantong Marine Service Co. Limited (hereinafter referred to as "**Yuantong**") is a wholly-owned subsidiary of COSCO SHIPPING International (Hong Kong) Co., Ltd, and is principally engaged in the sale and installation of marine equipment and spare parts, new build vessel equipment, as well as equipment of radio communication systems, satellite communication and navigation systems for vessels, coastal stations, offshore facilities and land users, marine materials supply and voyage repair, and Port State Control assistance inspections.

Yuantong possesses a global marine equipment and spare parts supply network platform. Leveraging its geographical advantages, it is committed to expanding its worldwide supply business for spare parts, ship stores and communication and navigation equipment. The company has established strong business relationships with highly specialized ship spare parts manufacturers in Japan, South Korea and other regions, thereby further broadening its product offerings and business scale.

To provide robust technical support to its extensive customer base, Yuantong maintains a team of engineering technicians capable of performing installation, commissioning and repair work, which can address various on-site equipment installation and repair issues for customers in accordance with their specific requirements in the fastest manner.

The global supply network of Yuantong enables it to deliver a broader range of relevant products and services in close proximity to overseas shipowners and shipyards. This fosters synergies with other business units of COSCO SHIPPING International's shipping services, further strengthening the company's core competitiveness and amplifying the overall value-creation capabilities of the shipping services sector in the future.

The predecessor of Yuantong is the Ocean Department of Hoi Tung, a joint venture established with 50% equity held by each of the former China Ocean Shipping (Group) Company and China Merchants Group. It was responsible for the procurement of spare parts in the former COSCO Group.

On 1 November 2001, COSCO (HONG KONG) GROUP LIMITED fully acquired Hoi Tung's Ocean Department and Hoi Tung Communication Instrument Co., Ltd., a subsidiary of Hoi Tung Company, and established "Yuantong Marine Service Co. Limited" in Hong Kong.

On 23 November 2007, 100% equity of COSCO (Beijing) Marine Electronic Equipment Limited was wholly acquired by Yuantong. Beijing Marine Electronic Equipment Co. Ltd. was closed in 2022.

On 1 March 2010, Yuantong wholly acquired Shin Chung Lin Corporation in Japan, which officially commenced business on 1 July 2010.

On 12 August 2010, Yuantong acquired 100% equity of Xing Yuan (Singapore) Pte. Ltd.

On 30 January 2011, Yuantong incorporated and wholly owned Yuantong Marine Trade (Shanghai) Co., Ltd. in Shanghai.

On 10 June 2013, Yuantong acquired 100% equity of Hanyuan Technical Service Center GmbH (Germany).

On 6 August 2014, Yuantong acquired 51% equity of Yuan Hua Technical & Supply Corporation (USA).

On 30 December 2016, COSCO SHIPPING International acquired 100% equity of CSHT Marine Machinery Suppliers Limited and completed the merger with Yuantong.

As at the Valuation Reference Date, the shareholding structure of Yuantong was as follows:

Item	**Number**	**Amount** *(HK$'000)*
COSCO SHIPPING International (Hong Kong) Co., Ltd.	208,352,000	208,352
Total	208,352,000	208,352

(2) Assets, Financial Performance and Operating Condition in the Past Three Years

The latest key financial information of Yuantong for the year of 2024 and for the period from January to July 2025 has been audited by an accounting firm as below:

Yuantong (on consolidated basis)

Unit: HK$'000

Items	As at 31 December 2024	As at 31 July 2025
Total assets	1,197,399	1,323,858
Total liabilities	276,781	335,924
Net assets	920,618	987,934

Items	2024	January to July 2025
Revenue	1,804,186	1,017,331
Total profit	117,593	63,697
Net profit	96,688	52,697

(3) Shareholding Structure

Yuantong has 8 subsidiaries, of which the 5 subsidiaries within the scope of the consolidated financial statements are all wholly-owned subsidiaries:

Unit: HK$

Name of Investees	Shareholding	Book Value
Shin Chung Lin Corporation	100.00%	21,060,899.14
Hanyuan Technical Service Center GmbH	100.00%	11,859,000.00
Yuan Hua Technical & Supply Corporation	100.00%	5,941,247.96
Yuantong Marine Trade (Shanghai) Co., Ltd.	100.00%	21,223,924.90
Xing Yuan (Singapore) Pte. Ltd.	100.00%	4,853,415.00
Tianjin Marine Electronic Co., Ltd.	25.00%	1,279,315.35
COSCO SHIPPING (Dalian) Electronic Technology Co., Ltd.	40.00%	250,978.48
Shanghai Ocean Radio Co., Ltd.	25.00%	423,792.49

(4) Information on the Wholly-owned Subsidiaries

1. ***Xing Yuan (Singapore) Pte. Ltd.***

Established on 7 April 1980, Xing Yuan (Singapore) Pte. Ltd. is a professional international shipping service provider. It is primarily engaged in the global procurement and supply of marine spare parts, supply of marine stores, lubricants and provisions, supply of duty-free tobacco and alcohol, equipment agency and distribution, and warehousing and logistics services. The company has its own office premises, warehouses and trucks, etc., which enables it to provide one-stop services for customers and vessels.

2. ***Shin Chung Lin Corporation***

Shin Chung Lin Corporation (hereinafter referred to as "**Shin Chung Lin**"), formerly known as Chung Lin Marine Service Company, serves as the sole ship service window for COSCO SHIPPING Group in Japan. Capitalizing on its over 40 years of technical expertise and business accumulation, the company has established solid cooperative relationships with numerous shipbuilding and shipyard facilities in Japan, securing a dominant position in the local marine market. Shin Chung Lin is a comprehensive service hub which integrates China-Japan trade, integrated ship services and ship safety assurance. The company supplies high-quality Japanese marine spare parts and has forged close partnerships with leading Japanese marine equipment manufacturers, including YANMAR, KEMEL, MITSUI and TAIKOKIKAI. At the same time, it has earned strong support from these manufacturers in the areas of technical services and emergency repairs, and is well recognized by customers both within and outside the Group. With the fastest response times, proficient technical expertise, and agile logistics services, Shin Chung Lin is committed to providing cost-effective and efficient solutions that ensure the safe operation of customers' vessels.

3. ***Yuantong Marine Trade (Shanghai) Co., Ltd.***

Yuantong Marine Trade (Shanghai) Co., Ltd. was established in October 2010. It is primarily engaged in the sales and supply of marine engine components, auxiliary equipment parts, marine equipment, and offshore engineering equipment such as mud agitators, mud treatment systems, piping and cables as well as equipment of radio communication systems, satellite communication and navigation systems for vessels, coastal stations, offshore facilities and land users. It also acts as an agent for overseas ship repair services. As the domestic business outpost of the Yuantong platform, Yuantong Marine Trade (Shanghai) Co., Ltd. is able to connect spare parts manufacturers more directly with various fleets. Through close coordination and communication with other overseas outlets within the platform, it provides fast, comprehensive and high-quality one-stop services to fleets both within and outside the COSCO SHIPPING Group on a global scale.

Yuantong Marine Trade (Shanghai) Co., Ltd. holds one long-term equity investment:

Unit: RMB

Name of Investee	Shareholding	Book Value
Shenzhen COSCO Insurance Brokers Limited* (深圳中遠保險經紀有限公司)	31.00%	26,708,190.08

4. *Hanyuan Technical Service Center GmbH*

Hanyuan Technical Service Center GmbH was established in 1981 and is located in Hamburg, Germany. Through development for more than 40 years, the company has built close cooperative relationships with major manufacturers across Europe. It provides comprehensive one-stop support services for vessels arriving in Europe, North Africa, and the Near and Middle East, covering spare parts, supplies, inspections, repairs and related needs.

5. *Yuan Hua Technical & Supply Corporation*

Yuan Hua is responsible for providing all technical services to all COSCO SHIPPING vessels in North America and serves as the technical representative for the COSCO SHIPPING fleet in the United States.

II. PURPOSE OF THE VALUATION

The purpose of this valuation is to evaluate the entire equity value of Yuantong in connection with the proposed further capital contribution to COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd. by COSCO SHIPPING International (Hong Kong) Co., Limited with its 100% equity interest in Yuantong, the results of which will serve as a basis for determining the consideration by clients of this valuation (namely, COSCO SHIPPING International (Hong Kong) Co., Ltd., COSCO SHIPPING Technology Co., Ltd. and COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd.).

III. VALUATION SUBJECT AND SCOPE

(1) Valuation Subject and Scope

The subject matter and scope of this valuation are consistent with those involved in the Proposed Transaction.

The valuation subject is the entire equity value of Yuantong.

The valuation scope comprises all audited assets and liabilities of Yuantong in relation to the valuation subject as at the Valuation Reference Date. The financial statements corresponding to the on-balance sheet assets and liabilities represented by the company have been audited by SHINEWING (HK) CPA Limited in accordance with Hong Kong Accounting Standards, and an audit report was issued on 21 November 2025. According to the audit report, the auditors stated that: "In our opinion, the consolidated financial statements of the Group for the year ended 31 December 2024 and seven months ended 31 July 2025 are prepared, in all material respects, in accordance with the accounting policies set out in note 3 to the consolidated financial statements". The details of the assets and liabilities are set out below:

Yuantong (on consolidated basis)
As at 31 July 2025

Unit: HK$'000

No.		Subject	Book Value
1	**I.**	**Non-current assets**	**166,576**
2		Intangible assets	9,421
3		Property, plant and equipment	20,097
4		Investment properties	89,934
5		Investment in joint ventures	12,964
6		Investment in associates	34,066
7		Deferred income tax assets	94
8	**II.**	**Current assets**	**1,157,282**
9		Inventories	3,913
10		Trade and other receivables	802,061
11		Amount due from immediate holding company	280,389
12		Current deposits and cash and cash equivalents	70,919
13	**III.**	**Total assets**	**1,323,858**
14	**IV.**	**Current liabilities**	**324,940**
15		Trade and other payables	122,955
16		Contract liabilities	183,025
17		Amount due to immediate holding company	8,355
18		Current income tax liabilities	10,605
19	**V.**	**Net current assets**	**832,342**
20	**VI.**	**Total assets less current liabilities**	**998,918**
21	**VII.**	**Non-current liabilities**	**10,984**
22		Deferred income tax liabilities	10,984
23	**VIII.**	**Net assets**	**987,934**

Yuantong (on company level basis)
As at 31 July 2025

Unit: HK$

No.		Subject	Book Value
1	**I.**	**Total Current Assets**	**839,119,214.76**
2		Cash and cash equivalents	1,639.18
3		Trade receivables	243,519,512.91
4		Prepayments	266,156,086.28
5		Dividend (profit) receivables	1,192,890.89
6		Other receivables	328,066,225.20
7		Inventory	182,860.30
8	**II.**	**Total non-current assets**	**122,749,813.36**
9		Long-term equity investment	66,892,573.32
10		Investment properties	53,500,000.00
11		Fixed assets	1,068,803.16
12		Intangible assets	1,288,436.88
13	**III.**	**Total assets**	**961,869,028.12**
14	**IV.**	**Total current liabilities**	**215,134,425.07**
15		Trade payables	29,886,010.89
16		Contract liabilities	165,834,826.94
17		Employee benefit expenses	8,649,752.44
18		Tax payables	5,997,172.93
19		Other payables	4,766,661.87
20	**V.**	**Total non-current liabilities**	**2,014,605.09**
21		Deferred income tax liabilities	2,014,605.09
22	**VI.**	**Total liabilities**	**217,149,030.16**
23	**VII.**	**Equity Attributable to Owners**	**744,719,997.96**

The consolidation scope of the consolidated statements mainly includes Yuantong, and its five wholly-owned subsidiaries (1) Xing Yuan (Singapore) Pte. Ltd., (2) Shin Chung Lin Corporation, (3) Hanyuan Technical Service Center GmbH, (4) Yuan Hua Technical & Supply Corporation and (5) Yuantong Marine Trade (Shanghai) Co., Ltd., while the scope of the single-account statements is Yuantong.

The audit data basis adopted by Yuantong within the scope of the consolidated statements is the same as the company level data basis of Yuantong.

(2) Distribution and Characteristics of Tangible Assets

1. *Yuantong*

The tangible assets of Yuantong comprise inventory, investment properties, buildings, structures and equipment.

(1) *Inventory*

The inventory consists of 45 units in total, including TRON SART20 Radar Transponders and TRON 60AIS Emergency Position Indicating Radio Beacons (EPIRBs). These items are stored at the company's Hong Kong office and remain in good storage and maintenance condition as of the Valuation Reference Date.

(2) *Investment properties*

The investment properties are located in No. 26 Square Street, Hong Kong (property marketing name "**Rich View Terrace**"), Nos. 271–285 Des Voeux Road West, Hong Kong (property marketing name "**Kwan Yick Building**"), and Nos. 359–361 Queen's Road Central, Hong Kong (property marketing name "**Nan Dao Commercial Building**"), respectively. They were acquired by the principal through purchase, comprising a total of 6 units with a total gross floor area ("**GFA**") of 5,961.00 square feet (sq. ft.). Details are set out in the table below:

No.	Property Ownership Certificate No.	Name of Buildings	Structure	Year of Completion	GFA (sq. ft.)
1	UB8577438	FLAT F ON 15TH FLOOR, RICH VIEW TERRACE, NO. 26 SQUARE STREET, HONG KONG	Framework	1992	556
2	UB8577439	FLAT C ON 23RD FLOOR, RICH VIEW TERRACE, NO. 26 SQUARE STREET, HONG KONG	Framework	1992	545
3	UB8764532	FLAT A5 ON 10/F KWAN YICK BUILDING, PHASE III, NOS. 271–285 DES VOEUX ROAD WEST AND NO. 158A CONNAUGHT ROAD WEST, HONG KONG	Framework	1978	470

No.	Property Ownership Certificate No.	Name of Buildings	Structure	Year of Completion	GFA (sq. ft.)
4	UB8764531	FLAT B10 ON 12/F KWAN YICK BUILDING PHASE III, NOS. 271–285 DES VOEUX ROAD WEST AND NO. 158A CONNAUGHT ROAD WEST, HONG KONG	Framework	1978	470
5	UB8764530	FLAT B2 ON 24/F KWAN YICK BUILDING PHASE III, NOS. 271–285 DES VOEUX ROAD WEST AND NO. 158A CONNAUGHT ROAD WEST, HONG KONG	Framework	1978	470
6	UB8577437	19TH FLOOR, NAN DAO COMMERCIAL BUILDING, NOS. 359 & 361 QUEEN'S ROAD CENTRAL, NOS. 128 & 130 BONHAM STRAND, HONG KONG	Framework	1985	3,450
				Total	**5,961.00**

The physical status of the subject tangible assets is as follows:

1) Rich View Terrace (Investment Properties)

a) Basic information on the subject assets

The property where the subject assets locate is known as "Rich View Terrace", located at No. 26 Square Street, Hong Kong. The building was completed in 1992 with a reinforced concrete frame structure. The assets consist of residential apartments on the 15th and 23rd floors, with a total GFA of 1,101.00 sq. ft.

b) Decoration and Facilities

Decoration standards: External walls are finished with paint; internal walls and ceilings are latex paint. Equipped with security doors and aluminum alloy windows.

Facilities and amenities: Comprehensive utilities include water supply/drainage, electrical, fire alarm, telecommunications and elevator services.

c) Occupancy

As of the Valuation Reference Date, the subject assets were leased out. Site inspection confirms the assets are well-maintained and in normal operating condition.

d) Title Status

Property ownership certificates (Nos. UB8577438 and UB8577439) have been obtained. The assets are free from mortgages, guarantees or pending litigation.

2) Kwan Yick Building (Investment Properties)

a) Basic information on the subject assets

The property where the subject assets locate is known as "Kwan Yick Building", located at Nos. 271–285, Des Voeux Road West, Hong Kong. The building was completed in 1978 with a reinforced concrete frame structure. The assets consist of residential apartments on the 10th, 12th and 24th floors, with a total GFA of 1,410.00 sq. ft.

b) Decoration and Facilities

Decoration standards: External walls are finished with paint; internal walls and ceilings are latex paint. Equipped with security doors and aluminum alloy windows.

Facilities and amenities: Comprehensive utilities include water supply/drainage, electrical, fire alarm, telecommunications and elevator services.

c) Occupancy

As of the Valuation Reference Date, the subject assets were leased out. Site inspection confirms the assets are well-maintained and in normal operating condition.

d) Title Status

Property ownership certificates (Nos. UB8764532, UB8764531 and UB8764530) have been obtained. The assets are free from mortgages, guarantees or pending litigation.

3) Nan Dao Commercial Building (Investment Properties)

a) Basic information on the subject asset

The property where the subject asset locates is known as ''Nan Dao Commercial Building'', located at Nos. 359–361 Queen's Road Central, Hong Kong. The building was completed in 1985 with a reinforced concrete frame structure. The asset is an office unit on the 19th floor, with a GFA of 3,450.00 sq. ft.

b) Decoration and Facilities

Decoration standards: Exterior walls clad with ceramic tiles;

Lobby: floor paved with floor tiles, walls tiled with ceramic wall tiles up to the ceiling, ceiling finished with emulsion paint;

Office areas: floor laid with timber flooring, internal walls and ceiling finished with emulsion paint;

Doors and windows: stainless steel full-glass doors and aluminum alloy windows respectively.

Facilities and amenities: Comprehensive utilities include water supply/drainage, electrical, fire alarm, telecommunications and elevator services.

c) Occupancy

As of the Valuation Reference Date, the subject asset was leased out. Site inspection confirms the asset is well-maintained and in normal operating condition.

d) Title Status

Property ownership certificate (No. UB8577437) has been obtained. The asset is free from mortgages, guarantees or pending litigation.

(3) *Structures*

The structures comprise renovation costs for investment properties, offices and warehouses.

(4) *Tangible Assets in the Equipment Category*

Tangible assets in the equipment category include vehicles and electronic equipment.

Vehicles comprise two trucks, one locomotive and one forklift. The trucks were acquired in 2021 and 2022, while the locomotive and forklift were acquired in 2001 and 2005, respectively. As of the Valuation Reference Date, all vehicles were in normal operating condition.

Electronic equipment consists of 109 items, including office computers, printers, air conditioners and similar devices. As of the Valuation Reference Date, all items were in normal operating condition.

2. *Xing Yuan (Singapore) Pte. Ltd.*

The tangible assets of Xing Yuan (Singapore) Pte. Ltd. included in the scope of this valuation comprise inventory, investment property, buildings and structures, as well as tangible assets in the equipment category.

(1) *Inventory*

Inventory primarily consists of raw materials, which mainly comprise 105 items such as daily labor protection supplies, spare parts and consumables. As of the Valuation Reference Date, all items were properly stored and in normal usable condition.

(2) *Investment property*

The investment property under valuation is located within Henderson Industrial Park, at 207 Henderson Road, #01-03, Singapore. It was acquired by the principal through purchase and consists of one unit. The building has a total of 3 storeys, with the subject property occupying floors 1 to 3 with a total GFA of 782.00 square metres, and the ownership certificate number is 01191000109. The building was completed in March 1989 and is of frame structure.

Decoration standards: Exterior walls finished with painted coating; internal walls and ceilings finished with emulsion paint; office areas partially laid with timber flooring, walls finished with emulsion paint, and ceilings with gypsum board suspended ceiling. Doors and windows comprise fire-rated anti-theft doors and aluminum alloy windows, respectively.

Facilities and amenities: Comprehensive utilities include water supply/ drainage, electrical, fire alarm and monitor.

Property ownership certificate (No. 01191000109) has been obtained. The asset is free from mortgages, guarantees or pending litigation.

As of the Valuation Reference Date, the subject asset was leased out. Site inspection confirms the asset is well-maintained and in normal operating condition.

(3) *Building and Structures*

The building under valuation is located within a property known as ISPACE, at 7 SOON LEE STREET #02-32, Singapore. It was acquired by the principal through purchase and consists of four units. The building has a total of 5 storeys, and the subject property is located at the 3rd floor with a total GFA of 961.00 square metres, and the ownership certificate number is IE/320053Q. The building was completed in March 2012 and is of frame structure.

Decoration standards: Exterior walls finished with painted coating; internal walls and ceilings finished with emulsion paint; office areas laid with timber flooring, walls finished with emulsion paint, and ceilings with gypsum board suspended ceiling. Doors and windows comprise roller shutter doors and uPVC windows, respectively.

Facilities and amenities: Comprehensive utilities include water supply/ drainage, electrical, fire alarm, air conditioners and elevator services.

Property ownership certificate (No. IE/320053Q) has been obtained. The asset is free from mortgages, guarantees or pending litigation.

As of the Valuation Reference Date, the subject asset was used by the owner for office and logistics warehousing purposes. Site inspection confirms the asset is well-maintained and in normal operating condition.

(4) *Tangible Assets in the Equipment Category*

Tangible assets in the equipment category include vehicles and electronic equipment.

Vehicles primarily consist of Dongfeng trucks, Volkswagen sedans, and two forklifts, etc., which are mainly used for daily office operations. The vehicles are well-maintained, all within valid annual inspection periods, and capable of meeting routine business operational needs.

Electronic equipment primarily comprises essential electronic devices required for the company's daily office operations, including computers, air conditioners, printers, servers and office furniture, etc. All equipment is currently in normal operating condition.

3. *Yuantong Marine Trade (Shanghai) Co., Ltd.*

The tangible assets of Yuantong Marine Trade (Shanghai) Co., Ltd. comprise inventory, building and structures, as well as tangible assets in the equipment category.

(1) *Inventory*

Inventory consists of 95 items, including rechargeable batteries, power supplies, telephones and similar items. These are stored in the company's office warehouse. As of the Valuation Reference Date, all items were properly stored and in normal usable condition.

(2) *Building and Structures*

There is one building located within Fragrant Garden at No. 188 Tongzhou Road, Hongkou District, Shanghai, with title certificate number "Hu Fang Di Hong Zi (2011) No. 000617". The property registered under the certificate comprises Unit 201 (commercial/office premises) of Building No. 8 in Fragrant Garden, together with Parking Space No. 42 in Basement Level 1. The GFA of the commercial/office premises is 228.24 square metres, and the area of the parking space is 34.82 square metres. The underground parking space is classified as a residential building construction. The registered owner as per the certificate is "Yuantong Marine Trade (Shanghai) Co., Ltd.".

The property was acquired by the company through purchase. Currently, the commercial/office premises have been subdivided into two units, with unit Nos. 201 and 202 observed during the site inspection. Unit 201 is presently used as the company's archive room for storing financial documents and similar materials, while Unit 202 is currently vacant and to be leased.

Fragrant Garden is a high-rise residential compound located at No. 188, Tongzhou Road, Hongkou District, Shanghai. It was developed by Shanghai COSCO Honour Property Development Ltd. and constructed by Shanghai Construction Group. The compound's southwest gate faces Tongzhou Road (addressed as No. 188 Tongzhou Road), while the northeast gate faces Gaoyang Road (addressed as No. 669). Building No. 8, in which the subject property is located, was completed and handed over in 2004 and comprises 31 storeys in total. The compound is in close proximity to Linping Road Station on Shanghai Metro Line 4, approximately a 5-minute walk away. Surrounding amenities include schools such as Hongkou District No. 2 Central Primary School and Jiguang Middle School, as well as facilities like Yongle Appliances, Hongkou Post Office and Shanghai First People's Hospital, providing relatively convenient living conditions.

The compound has a greening ratio of 40%, features a central garden with leisure facilities, and is equipped with amenities including a swimming pool, tennis court and gymnasium. It offers more than 300 parking spaces in total.

(3) *Tangible Assets in the Equipment Category*

Tangible assets in the equipment category include vehicles and electronic equipment.

The vehicle is a Buick sedan (Model: SGM7308ATA) acquired in 2010. As of the Valuation Reference Date, the vehicle was in normal operating condition.

Electronic equipment includes office computers, printers, air conditioners and similar devices. As of the Valuation Reference Date, all items were in normal operating condition.

4. *Shin Chung Lin Corporation*

The tangible assets of Shin Chung Lin Corporation are electronic equipment.

Its electronic equipment includes office computers, printers, mobile phones and similar devices, all of which were in normal operating condition as of the Valuation Reference Date.

5. *Yuan Hua Technical & Supply Corporation*

The tangible assets of Yuan Hua Technical & Supply Corporation are electronic equipment.

Its electronic equipment represents one office computer, which was in normal operating condition as of the Valuation Reference Date.

6. *Hanyuan Technical Service Center GmbH*

The tangible assets of Hanyuan Technical Service Center GmbH are structures and electronic equipment.

The structures include one air-conditioning ceiling panel and one storage shelf. The electronic equipment consists of office computers, monitors, and similar items. As of the Valuation Reference Date, all were in normal operating condition.

(3) Intangible Assets Recognised or Unrecognised in the Accounts as Declared by the Enterprises

1. *Yuantong*

The intangible assets recognised by Yuantong comprise 17 items, including ERP computer software, financial software and other software, all of which were in normal use as of the Valuation Reference Date.

2. *Xing Yuan (Singapore) Pte. Ltd.*

The intangible assets recognised by Xing Yuan (Singapore) Pte. Ltd. comprise 3 items, including SAP computer software and interface modification costs, all of which were in normal use as of the Valuation Reference Date.

3. *Yuantong Marine Trade (Shanghai) Co., Ltd.*

The intangible asset recognised by Yuantong Marine Trade (Shanghai) Co., Ltd. is SAP system software, which was in normal use as of the Valuation Reference Date.

4. *Shin Chung Lin Corporation*

The intangible assets recognised by Shin Chung Lin Corporation are SAP system software and ERP system, both of which were in normal use as of the Valuation Reference Date.

(4) Off-Balance-Sheet Assets Declared by the Enterprises (Type, Quantity)

None.

(5) Assets Involved in Conclusions of Reports Issued by Other Institutions (Type, Quantity, Book Value or Valuation Amount)

None.

IV. TYPE OF VALUE

The types of value adopted in valuation include market value and value types other than market value. Value types other than market value include but are not limited to investment value, value in use, liquidation value and residual value. As the purpose of this valuation is to provide a value reference for a normal transaction, and there are no special restrictions or requirements imposed on market conditions or the intended use of the valuation subject, market value has been selected as the type of value for this valuation in accordance with industry practice.

Market value refers to the estimated amount for which the valuation subject should exchange on the Valuation Reference Date between a willing buyer and a willing seller in an arm's length transaction, wherein the parties had each acted knowledgeably, prudently and without compulsion.

V. VALUATION REFERENCE DATE

The Valuation Reference Date is 31 July 2025.

In determining the Valuation Reference Date, the principal factors considered included satisfying the timing requirements for the implementation of the relevant transaction, and selecting an accounting period-end date to clearly define the valuation scope and to facilitate the efficient identification and verification of assets.

VI. BASES OF VALUATION

(1) Basis of the Economic Behaviour

《Minutes of the 18th Meeting of the 3rd Board of Directors of COSCO SHIPPING (Hong Kong) Co., Limited》(9 December 2025).

(2) Legal and Regulatory Bases

1. Asset Valuation Law of the People's Republic of China (adopted at the 21st Meeting of the Standing Committee of the Twelfth National People's Congress on 2 July 2016);
2. Law of the People's Republic of China on State-owned Assets of Enterprises (adopted at the Fifth Meeting of the Standing Committee of the Eleventh National People's Congress on 28 October 2008);
3. Civil Code of the People's Republic of China (adopted at the Third Session of the Thirteenth National People's Congress on 28 May 2020);
4. Administrative Measures for the Appraisal of State-owned Assets (Order of the State Council No. 91, latest revision by the Order of the State Council No. 732);
5. Detailed Rules for the Implementation of the Administrative Measures for the Appraisal of State-owned Assets (Document of the State-owned Assets Supervision and Administration Office [1992] No. 36);
6. Interim Regulations on the Supervision and Administration of State-owned Assets of Enterprises (Order of the State Council No. 378, latest revision by the Order of the State Council No. 709);
7. Opinions on Reforming the Administrative Mode of State-owned Assets Appraisal and Strengthening the Supervision and Administration of Asset Appraisal (Document of the State-owned Assets Supervision and Administration Office [2001] No. 102);
8. Interim Measures for the Administration of the Appraisal of State-owned Assets of Enterprises (Order of the SASAC of the State Council No. 12);

9. Provisions on Several Issues Concerning the Administration of State-owned Assets Appraisal (Order of the Ministry of Finance No. 14);
10. Measures for the Supervision and Administration of the Transactions of State-owned Assets of Enterprises (Order of the SASAC and the MOF No. 32);
11. Notice on Issuing the Guidelines for the Filing of State-owned Assets Appraisal Projects of Enterprises (Document on State-owned Property Management issued by the SASAC [2013] No. 64);
12. Measures for the Financial Supervision and Administration of the Asset Appraisal Industry (Order of the Ministry of Finance No. 97);
13. Notice on Relevant Issues Concerning Strengthening the Administration of the Appraisal of State-owned Assets of Enterprises (Document on State-owned Property Management issued by the SASAC [2006] No. 274);
14. Notice on Matters Concerning the Review of Appraisal Reports on State-owned Assets of Enterprises (Document on State-owned Property Management issued by the SASAC [2009] No. 941);
15. Interim Measures for the Management of Overseas State-Owned Property of Central Enterprises (Order of the SASAC of the State Council No. 27);
16. Notice on Matters Concerning Further Strengthening the Management of Overseas State-Owned Property of Central Enterprises (Document on State-owned Property Management issued by the SASAC [2020] No. 70);
17. Measures for the Supervision and Administration of Overseas Investment by Central Enterprises (Order of the SASAC of the State Council No. 35);
18. Measures for the Financial Management of Overseas Investment by State-owned Enterprises (Circular of the Ministry of Finance on State-owned Assets and Funds Management [2017] No. 24);
19. Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong);
20. Hong Kong Business Registration Ordinance;
21. Hong Kong Inland Revenue Ordinance;
22. Buildings Ordinance, Landlord and Tenant (Consolidation) Ordinance and other regulations in Hong Kong and Singapore;
23. Companies Act and Tax Regulations in Singapore, Japan, the United States and Germany.

(3) Bases of Valuation Standards

1. Basic Standards for Asset Valuation (Circular of the Ministry of Finance on State-owned Assets and Funds Management [2017] No. 43);
2. Code of Ethics for Asset Valuation (Document of the CAS [2017] No. 30);
3. Asset Valuation Practice Standards — Asset Valuation Procedures (Document of the CAS [2018] No. 36);
4. Asset Valuation Practice Standards — Asset Valuation Reports (Document of the CAS [2018] No. 35);

5. Asset Valuation Practice Standards — Asset Valuation Methods (Document of the CAS [2019] No. 35);
6. Asset Valuation Practice Standards — Asset Valuation Engagement Contracts (Document of the CAS [2017] No. 33);
7. Asset Valuation Practice Standards — Enterprise Value (Document of the CAS [2018] No. 38);
8. Asset Valuation Practice Standards — Intangible Assets (Document of the CAS [2017] No. 37);
9. Asset Valuation Practice Standards — Real Estate (Document of the CAS [2017] No. 38);
10. Asset Valuation Practice Standards — Machinery and Equipment (Document of the CAS [2017] No. 39);
11. Asset Valuation Practice Standards — Asset Valuation Archives (Document of the CAS [2018] No. 37);
12. Guidelines for Reports on Valuation of State-owned Assets of Enterprises (Document of the CAS [2017] No. 42);
13. Guiding Opinions on Types of Value for Asset Valuation (Document of the CAS [2017] No. 47);
14. Guiding Opinions on Legal Ownership of Asset Valuation Subjects (Document of the CAS [2017] No. 48);
15. Asset Appraisal Expert Guidelines No. 8 — Inspection and Verification in Asset Appraisal (Document of the CAS [2019] No. 39);
16. Asset Appraisal Expert Guidelines No. 13 — Asset Appraisal in Outbound Mergers and Acquisitions (Document of the CAS [2021] No. 31).

(4) Proof of Ownership

1. Property ownership certificates and agreements of the appraised entity;
2. Vehicle driving permits, registration certificates, purchase invoices, etc.;
3. Other material contracts and agreements.

(5) Bases of Pricing

1. Data searched from Damodaran and Bloomberg;
2. Industry reports and statistical data published by institutions such as the China Shipbuilding Industry Association, the National Bureau of Statistics and the International Monetary Fund;
3. Audit reports and financial statements as of the Valuation Reference Date;
4. Survey and verification records for buildings and investment properties, telephone and online price inquiry information, and other data obtained from local real estate market surveys;
5. The mid-point exchange rates for RMB and HK$ published by the People's Bank of China as of the Valuation Reference Date.

VII. VALUATION METHODS

(1) Selection of Valuation Methods

In accordance with the *Asset Valuation Practice Standards — Enterprise Value*, when performing an enterprise value valuation business, the applicability of the three basic methods, namely the income approach, the market approach, and the cost approach (asset-based approach), should be analyzed to select the valuation methods based on relevant conditions such as the valuation purpose, valuation subject, value type, and availability of information.

Given the abundance of comparable listed companies in the same industry, the market approach has also been adopted for the valuation.

Upon inquiry, it has been determined that the appraised entity is a company with independent profitability, exhibiting a quantifiable proportional relationship between its assets and revenue, with future earnings being foreseeable. However, the income approach has not been adopted for the conclusion of this valuation. Given that the appraised entity is primarily engaged in the trading industry, it faces significant volatility due to recent shifts in the international landscape, including rapid fluctuations in tariffs and exchange rates. Consequently, there is a degree of uncertainty regarding the achievement of future earnings targets.

As the appraised entity is a light-asset company, certain intangible assets such as its sales team, management team, strong performance record, reputation, creditworthiness and stable customer base are not reflected in the book assets. The asset-based approach is therefore unable to fully capture the value of the appraised entity, and as a result, the asset-based approach has not been adopted in this valuation.

(2) Market Approach

The listed company comparable method under the market approach determines the fair market value of the appraised enterprise by comparing it with the fair market values of publicly listed companies in the same industry. This method typically involves first selecting listed companies in the same industry as the appraised enterprise with actively traded stocks as comparable companies. The market value of each comparable company is then calculated based on its trading share price. Next, one or more profitability, asset-based, or special parameters, such as EBITDA, P/E, P/B, P/S, etc., are selected as "analytical parameters". The ratio between the comparable company's market value and the selected analytical parameter is calculated, known as the value multiples. The market value of the valuation subject can be derived by applying aforementioned value multiples to the corresponding analytical parameters of the appraised enterprise.

By computing the market values and analytical parameters of the comparable companies, profitability-based, asset-based and other value multiples can be derived. These value multiples for each comparable company are then adjusted using coefficient corrections. An appropriate method is comprehensively selected to estimate the value multiples for the appraised enterprise. One or more of these value multiples are then chosen and applied to the corresponding analytical parameters of the appraised enterprise to arrive at its value, as follows:

Final appraised equity value = (Equity investment value multiple × Corresponding parameter of the appraised enterprise) × (1 – Lack of liquidity discount) × (1 ± Control premium or minority interest discount) + Non-operating assets – Non-operating liabilities

VIII. IMPLEMENTATION OF VALUATION PROCEDURES

(1) Acceptance of Engagement

Following discussions with the clients on the assets and valuation matters such as the valuation purpose, valuation subject, valuation scope, and the valuation reference date, the valuer confirmed the acceptance of the engagement and entered into a valuation engagement contract after a comprehensive analysis of competency, independence and professional risks. Based on the specific circumstances, the value type, work plan, and valuation team were determined.

(2) Site Inspection and Data Collection

The valuer guided the appraised entity in conducting asset inventories and preparing valuation materials. On this basis, the valuer conducted on-site investigations on the appraisal object and collected materials required for the valuation business to understand the current status of the assets, operations, and finances, as well as the macro and regional economic factors affecting the operation of the enterprise, and the status and development prospects of the industry. The legal ownership of the appraisal object was examined, and all valuation materials were verified in accordance with the law.

(3) Valuation and Estimation

The collected valuation materials were analyzed, summarized, and organized according to the specific circumstances of the asset valuation to form the basis for valuation and the preparation of the valuation report. The valuation methods were selected in accordance with the practice standards for asset appraisal based on the valuation purpose, appraisal object, value type, data collection, and other relevant conditions. Based on the valuation methods adopted, relevant formulas and parameters were selected for analysis, calculation, and judgment. Assumptions and limitations that might affect the valuation business and the valuation conclusion were analyzed and evaluated to form the calculation results. After a comprehensive analysis of the calculation results which are arrived at by adopting different approaches, the valuation conclusion was formed.

(4) Issuance of Report

After the project leader valuated, estimated and formed the valuation conclusion, a preliminary valuation report was prepared. In accordance with the laws, administrative regulations, asset appraisal standards, and the internal quality control system, the valuer conducted an internal review of the preliminary valuation report. After necessary communication with the clients and other relevant parties regarding the contents of the report, the formal valuation report was issued.

IX. VALUATION ASSUMPTIONS

The valuation assumptions adopted in this Report include:

(1) Basic Assumptions

1. Transaction Assumption. The transaction assumption assumes that all appraised assets are considered to be in the process of a transaction, with valuation based on simulated market conditions.
2. Open Market Assumption. The open market assumption assumes that the assets can be traded freely in a fully competitive market. The price depends on the judgment of the independent buyer and seller on the value of the assets under market supply conditions. An open market refers to a fully competitive market with numerous buyers and sellers, where they have equal standing and have sufficient opportunities and time to obtain market information. The transaction is conducted by both parties voluntarily and rationally, under non-compulsory or unrestricted conditions.
3. Going Concern Assumption. The going concern assumption assumes that the business activities of an operating entity can be continued, and the entity will not be suspended or terminated in the foreseeable future.

(2) Specific Assumptions

1. It is assumed that there are no material changes in the current relevant laws, regulations and policies of the State, or in the macro-economic situation. There are no material changes in the political, economic and social environments of the regions where the parties to the transaction are located.
2. The company's operators are assumed to be responsible, and management capable of performing their duties.
3. Unless stated otherwise, the company is assumed to be in full compliance with all applicable laws and regulations.
4. The company's future accounting policies are assumed to be materially consistent with those applied in this report.
5. The company's business scope and operations are assumed to remain consistent with the current state, based on the existing management structure and capability.

6. It is assumed that there are no material changes in the relevant interest rates, exchange rates, tax bases and tax rates, and policy-based charges.
7. It is assumed that there are no other force majeure events or unforeseen factors that could materially adversely affect the enterprise.
8. It is assumed that the company's existing industry qualifications can be renewed upon expiration as required.
9. It is assumed that the company's core management personnel and sales staff will remain stable in the future.
10. It is assumed that cash inflows and outflows of the appraised entity after the Valuation Reference Date are mid-period inflows and mid-period outflows, respectively.

In accordance with asset appraisal requirements, these assumptions are considered valid as at the Valuation Reference Date. No responsibility shall be assumed for any differences in valuation conclusions resulting from changes in these assumptions due to significant changes in future economic conditions.

X. VALUATION ANALYSIS

(1) Valuation subject

In this valuation, the valuation subject is the entire equity value of Yuantong.

(2) Principles of the Market Approach

The Market Approach in enterprise value assessment refers to the method of determining the value of the appraised entity by comparing it with comparable listed companies or comparable transaction cases. The two commonly used methods under the Market Approach are the listed company comparable method and the transaction case comparable method.

The listed company comparable method refers to a specific valuation approach that involves collecting and analyzing operational and financial data from comparable listed companies, calculating appropriate valuation multiples, and determining the value of the appraised entity based on comparative analysis.

The transaction case comparable method refers to a specific valuation approach that involves collecting and analyzing data from comparable business transactions, acquisitions, and mergers, calculating appropriate valuation multiples, and determining the value of the appraised entity based on comparative analysis.

1. ***Prerequisites for applying the Market Approach***

(1) Existence of a well-developed and active capital market;
(2) Sufficient number of comparable enterprises in the capital market that are identical or similar to the valuation subject, or sufficient transaction cases available in the capital market;
(3) Ability to collect and obtain market information, financial information, and other relevant data for comparable enterprises or transaction cases;
(4) Confidence that the information and data used are representative, reasonable, and effective as of the Valuation Reference Date.

2. ***Valuation assumptions for the Market Approach***

(1) This valuation is based on the going concern premise. Going concern means that the production and business operations of the appraised entity can continue under their current conditions, with no significant changes anticipated in the foreseeable future.
(2) The value type is market value, without considering the impact of the economic activities involved in the valuation purpose on the business operations.
(3) This valuation is based on the existing national laws, regulations, tax policies and financial policies in the jurisdictions where the appraised entity and its subsidiaries operate, without considering unpredictable significant changes after the Valuation Reference Date.
(4) This valuation assumes that the future management team of the appraised entity will fulfill their duties diligently, continue to operate under the current management model, and that the business activities and services provided by the appraised entity comply with national industrial policies and legal requirements, with no significant changes anticipated in the foreseeable future.
(5) This valuation is based on reasonable future projections under current market conditions, without considering unforeseeable major market changes or fluctuations, such as political turmoil, economic crises, or hyperinflation.
(6) This valuation assumes that the foundational and financial data provided by the clients and the appraised entity are true, accurate, and complete.

The valuation results may generally become invalid if the above conditions change.

(3) Rationale for selecting the specific valuation method

Both the listed company comparable method and the transaction case comparable method require the use of appropriate value ratios (multiples) for comparison, and ultimately evaluate the value of the appraised entity based on these ratios. The transaction case comparable method was not adopted because transaction case data is difficult to collect, and it is challenging to ascertain the presence of non-market value factors within such cases. The listed company comparable method was selected since the operating and financial data of comparable listed companies are highly transparent and objective, making this method highly operable. Considering the valuation subject, the valuation purpose, and the data collected by the valuer, the listed company comparable method is selected for this valuation.

(4) Explanation of the listed company comparable method

The listed company comparable method under the Market Approach determines the fair market value of the appraised enterprise by comparing it with the fair market values of listed companies in the same industry. This method typically involves first selecting listed companies in the same industry as the appraised enterprise with actively traded stocks as comparable companies. The market value of each comparable company is then calculated based on its trading share price. Next, one or more profitability, asset-based, or special parameters, such as EBITDA, P/E, P/B, P/S, etc., are selected as "analytical parameters". The ratio between the comparable company's market value and the selected analytical parameters is calculated, known as the multiples. The market value of the valuation subject can be derived by applying aforementioned value ratios to the corresponding analytical parameters of the appraised enterprise.

By computing the market values and analytical parameters of the comparable companies, profitability-based, asset-based and other value ratios can be derived. These multiples for each comparable company are then adjusted using coefficient corrections. An appropriate method is comprehensively selected to estimate the value ratios for the appraised enterprise. One or more of these value ratios are then chosen and applied to the corresponding analytical parameters of the appraised enterprise to arrive at its value.

The basic steps for applying the listed company comparable method are as follows:

1. Collect information on listed companies and select comparable companies;
2. Gather, analyze, and adjust relevant financial report data of the comparable companies;
3. Select and calculate the value ratios for each comparable company;
4. Adjust and modify the value ratios of each comparable company;
5. Reconcile the value ratios from the comparable companies to derive a single value ratio for the appraised enterprise;

6. Estimate the relevant parameters of the appraised enterprise, calculate the valuation results under each multiple, and select the most reasonable result as the preliminary valuation conclusion;
7. Consider the necessity for applying discount/premium adjustments;
8. Add back non-operating assets and surplus assets, subtract non-operating liabilities, to arrive at the final valuation conclusion.

(5) Explanation of the valuation process under the Market Approach

1. *Selection of reference comparable enterprises*

Yuantong's primary business is the trading of ship spare parts. As a non-listed company, its market value cannot be directly determined, nor can key parameters like its risk return rate be directly calculated. We screened for reference companies in developed Asian regions where the appraised entity operates within the Bloomberg database. Through analysis of these reference companies, we determined the equity value of Yuantong.

(a) *Selection criteria for comparable listed companies*

(i) A certain period of listed trading history

When conducting valuation using the listed comparable company method, statistical analysis is required, which necessitates a certain amount of stock trading history data. Therefore, comparable companies generally need to have been listed for a certain period. On the other hand, the operational conditions of comparable companies should be relatively stable, and a certain trading history can effectively ensure their operational stability. The listed trading history of comparable companies should be at least approximately 24 months.

(ii) Same or similar business operations for no less than 24 months

Having the same or similar business operations primarily ensures that the comparable companies and the appraised enterprise engage in identical or similar businesses, produce the same or similar products or services, or are influenced by the same economic factors.

The requirement that comparable companies have been engaged in the business for no less than 24 months mainly avoids situations where comparable companies have just started the business due to reasons such as asset restructuring.

(iii) Comparable expected growth rate

Comparable expected growth rates essentially require that the future growth potential of the companies is similar to enhance comparability.

(iv) Supplementary criteria in other aspects

The selection criteria also encompass the following aspects:

(1) Being in the same or similar industry as the enterprise being evaluated; (2) the place of registration and the geographical scope of business activities; (3) business structure; (4) operating model; (5) enterprise scale; (6) asset allocation and utilization; (7) the stage of business development the enterprise is in; (8) growth potential; (9) operational and financial risks.

The aforementioned selection criteria are determined based on asset appraisal standards and asset appraisal textbooks.

When selecting comparable companies:

Firstly, comparable companies were selected within the Hong Kong market, and there are two companies with comparable businesses serving as comparable companies.

Next, select comparable companies in the Japanese market, and filter them based on revenue scale and stock activity.

Ensure that the list of comparable companies is exhaustive through the aforementioned process.

(b) *Selection of comparable listed companies*

Yuantong is headquartered in Hong Kong, China, and primarily operates in key Asia-Pacific regions/countries including Hong Kong, Mainland China, Japan, and Singapore, with over 95% of revenue derived from Asia-Pacific regions. Therefore, comparable companies were screened from listed companies in three Asia-Pacific developed capital markets — Hong Kong, Singapore, and Japan. Comparative analysis was conducted based on core business operations, business structure, data availability, company size, and capital allocation.

Based on the aforementioned selection criteria, an initial batch of 7 potential comparable companies are identified as listed out below:

Stock Code	Company Name	Principal Business	Status
0517.HK	COSCO SHIPPING International (Hong Kong) Co., Ltd.	Principally engaged in the provision of shipping services and general trading. The Group operates its business through six segments. The marine equipment and spare parts segment is mainly engaged in the trading and supply of marine equipment and spare parts. The coatings segment is mainly engaged in the production and sale of coatings. The general trading segment is mainly engaged in the trading, storage, processing and supply of asphalt and other products. The insurance brokerage segment is mainly engaged in the provision of insurance brokerage services. The ship trading agency segment is mainly engaged in the provision of agency services relating to shipbuilding, ship trading and bareboat charter business. The intelligent shipping services segment is mainly engaged in providing green, low-carbon and digital intelligent solutions for the full life cycle of the shipping industry business.	Selected

Stock Code	Company Name	Principal Business	Status
2102.HK	Tak Lee Machinery Holdings Limited ("**Tak Lee**")	Tak Lee is an investment company, which engages in the sale of heavy equipment and spare parts. It operates through the following segment: Sales of heavy equipment and spare parts; lease of heavy Equipment; and maintenance and ancillary services. The sales of heavy equipment and spare parts segment trades heavy equipment and spare parts. The lease of heavy equipment segment leases heavy equipment. The maintenance and ancillary services segment offers maintenance and ancillary services.	Selected
9932.TJP	Sugimoto & Co., Ltd. ("**Sugimoto**")	Sugimoto engages in the domestic sales, import and export of machinery and equipment. Its products include mechanical equipment; measuring equipment; testing machinery; cutting, machine and pneumatic tools; cargo handling tools; conduction, pneumatic, and hydraulic equipment; electric tools; transmission equipment; work tools; pipework equipment; tube materials; office automation equipment and others.	Selected

Stock Code	Company Name	Principal Business	Status
5PF.SG	Jason Marine Group Limited ("**Jason Marine**")	Jason Marine is an investment holding company, which engages in the provision of support services in the marine electronics systems, and marine and offshore oil and gas industries. It operates through the following business segments: Sale of Goods, Rendering of Services, and Airtime Revenue. The Sale of Goods segment includes the design, supply, and sale of marine, communication, navigation, and automation equipment. The Rendering of Services segment involves the provision of maintenance and support services, including repair works, troubleshooting, commissioning, radio survey, and annual performance tests. The airtime revenue segment offers airtime for the satellite communication system.	Excluded
7128.T	UNISOL Holdings Corporation ("**UNISOL**")	UNISOL engages in the business management of its group subsidiaries that sell industrial machinery and equipment tools.	Excluded

Stock Code	Company Name	Principal Business	Status
7472.T	Toba, Inc. ("**Toba**")	Toba engages in the sale, import, and export of control machinery, industrial robots, measuring and instrumentation devices. Its products include pneumatic, hydraulic and linear products, robot and automatic assembly equipment, printed circuit board mounting products, imaging and measuring equipment, logistics and transport equipment, computers, electronic machinery, transport equipment, construction and conduit equipment, fasteners, environmental maintenance equipment, tools, machinery tools, laboratory equipment, chemicals, and general industrial equipment. It also provides the installation of machinery and equipment.	Excluded

Stock Code	Company Name	Principal Business	Status
7500.T	Nishikawa Keisoku Co., Ltd. ("**Nishikawa**")	Nishikawa engages in the sale of control and information equipment systems, measuring and analytical equipment, industrial equipment and other products related to engineering and software production. It operates through the following divisions: Control and Information Equipment System, Measuring Instrument, Analytical Equipment, and Industrial and Other Equipment. The Control and Information Equipment System division includes computer systems for process and factory automation, thermometers, flow meters, controllers, sequencers, software creation, and instrument construction and maintenance. The Measuring Instrument division provides signal testing instruments such as oscilloscopes and electric power measuring devices such as ammeters and voltmeters. The Analytical Equipment division consists of data analysis software and analytical equipment such as gas and liquid chromatographs for organic chemicals and inductively coupled plasma-mass spectrometry (ICP-MS) for inorganic chemicals. The Industrial and Other Equipment division offers environmental testing equipment, hydraulic machinery, pneumatic tools, industrial robots, and thermostats.	Excluded

As explained above, among all priority is given to companies that mainly derive their revenue from the Hong Kong and/or the PRC market, given the similarity with Yuantong's major markets and these companies are considered direct comparables. Therefore, among the 7 companies identified above, it was considered that COSCO SHIPPING International and Tak Lee are direct comparables and no additional filters are applied to them. In particular, Tak Lee was selected, despite being smaller in scale, because it generates all of its revenue in the Hong Kong market and is a Hong Kong listed supplier of heavy equipment and spare parts which, like Yuantong, operates as a light asset distributor and service provider in the equipment sector, generating income mainly from the sale, rental and servicing of equipment rather than from manufacturing.

For the remaining 5 companies, namely Jason Marine, Toba, Nishikawa, UNISOL and Sugimoto, they do not derive their revenue primarily from the Hong Kong and/or the PRC market. Jason Marine, Toba and UNISOL only derived 5%, 10% and 2% revenue respectively from the Hong Kong and/or the PRC market. Sugimoto derived about 3.5% revenue from outside the Japanese market. Nishikawa did not generate any revenue from the Hong Kong and/or the PRC market. As such, they were considered relatively less comparable to Yuantong, and thus additional filters were applied to these 5 indirect comparables: (i) liquidity filter where companies with an average monthly turnover rate of less than 2% over the 12-month period preceding the Valuation Reference Date are excluded to ensure their trading multiples reflect their true fair market value and do not lead to distorted valuation results; (ii) business scale filter where companies with revenue more than 2x larger or 2x smaller than that of Yuantong based on their latest published annual results are excluded. Jason Marine, Toba and Nishikawa were excluded as they had an average monthly turnover rate of less than 2% over the 12-month period preceding the Valuation Reference Date. UNISOL was excluded due to its significantly larger business scale compared to Yuantong, with revenue around 4.6x of that of Yuantong for 2024. Given the substantial disparity in size of operation, it was determined that its valuation multiples would not be directly comparable to Yuantong.

The remaining indirect comparable, Sugimoto was selected because it passed the additional filters. In particular, (i) its average monthly turnover rate was approximately 6% over the 12-month period preceding the Valuation Reference Date; and (ii) its revenue was around 1.4x larger than that of Yuantong based on its latest published annual results. It is a Japanese listed trading company principally engaged in the distribution of tools, measuring instruments and related equipment, with a business model, revenue composition and asset allocation that are similar in nature to those of Yuantong, save that its product mix focuses on industrial equipment rather than marine equipment. Both Sugimoto and Tak Lee were considered comparable to Yuantong. Yuantong, Sugimoto and Tak Lee all operate as light-asset, distribution-and service-oriented business focused on industrial/machinery equipment rather than manufacturing, with revenue and assets concentrated in trading inventories, receivables and other assets rather than heavy

plant. Their core business model is to source branded industrial/machinery products from multiple upstream suppliers and resell them with value-added services and their revenue is derived therefrom. Asset base of Sugimoto and Tak Lee are mainly trading inventories and receivables, which is similar to those of Yuantong.

As a result, Sugimoto and Tak Lee, together with COSCO SHIPPING International (Hong Kong) Co., Ltd., represent reasonable and appropriate listed company references for deriving valuation multiples for Yuantong and were adopted as the final comparables.

The three comparable companies selected are as follows:

Stock Code	Company Name	
517.HK	COSCO SHIPPING International (Hong Kong) Co., Ltd.	COSCO SHIPPING International has currently established a ship services platform that provides integrated services, such as ship trading agency, insurance brokerage, supply of marine equipment and spare parts, production and sales of coatings as well as intelligent shipping services. COSCO SHIPPING International strives to become a one-stop integrated supplier with both online and offline services to support the intelligent and digital development of the shipping industry.
9932.T	SUGIMOTO & CO., LTD	Sugimoto is a trading company that mainly provides tools and measuring instruments to wholesalers and retailers. The company also deals in work equipment and power tools. Additionally, Sugimoto supplies pneumatic and hydraulic equipment, cutting tools, and office automation equipment.
2102.HK	Tak Lee Machinery Holdings Limited	Tak Lee is a Hong Kong-based supplier for the sales and rental services of heavy equipment, having operated in the industry for over 23 years. It is mainly engaged in (i) the sale of new and used heavy equipment and parts; (ii) heavy equipment rental; and (iii) the provision of maintenance, logistics and other auxiliary services.

The comparables identified represent an exhaustive list of relevant peers on a best-effort basis.

Yuantong is also a professional equipment distributor responsible for providing channel sales without engaging in production. The only difference lies in the products distributed. Its industry, business structure, operation mode, and asset allocation and usage are identical to those of Sugimoto and Tak Lee. Therefore, they are considered comparable companies.

In review of the above, the selected comparables are fair and representative. Initially, two comparable companies in the same industry and operating model were sought in the Hong Kong market. COSCO SHIPPING International and Tak Lee were therefore selected. As they did not meet the minimum requirement of three comparable companies for asset valuation standards, the scope was expanded to include listed companies in Japan in the same industry, and the results were filtered one by one based on business similarity. The third comparable company was ultimately determined based on similar business, business scale and stock liquidity. The selection of comparable companies was filtered according to the process of — same or similar industry — business structure, operating model — enterprise scale — stock trading activity, based on the registered place of the enterprise and the geographical scope of business activities. The selection process were fair as there were no subjective factors involved in the filtering process.

2. *Collect, analyze, and adjust relevant financial report data of comparable companies*

After selecting comparable listed companies, collect relevant financial data of the comparable companies, and adjust them to establish a relatively comparable basis between the financial data of the comparable companies and the appraised entity. The main adjustments are as follows:

(a) *Accounting policy adjustments*

In this valuation, based on the annual financial reports of comparable companies and referencing Bloomberg's GAAP-adjusted data under uniform accounting policies, the differences caused by accounting policies have been eliminated in the valuation.

(b) *Adjustments for non-operating assets/liabilities, surplus assets/liabilities, and non-operating profits/losses*

Generally, the identification of non-operating assets/liabilities, surplus assets/liabilities, and non-operating profits/losses is as follows, and adjustments for comparable companies and the appraised entity should be consistent.

Non-operating assets: Other receivables; trading financial assets; non-current assets due within one year; investment properties; deferred tax assets, etc.

Non-operating liabilities: Trading financial liabilities; other payables (including dividends payable); deferred tax liabilities, etc.

Surplus assets: Cash and cash equivalents exceeding the needs for production and operation, etc.

The basic information and financial statement data of the comparable companies are as follows:

① COSCO SHIPPING International (Hong Kong) Co., Ltd.

Stock Code: 517.HK

Company Profile: COSCO SHIPPING International (Hong Kong) Co., Ltd. has currently established a ship services platform that provides integrated services, such as ship trading agency, insurance brokerage, supply of marine equipment and spare parts, production and sales of coatings as well as intelligent shipping services. COSCO SHIPPING International (Hong Kong) Co., Ltd. strives to become a one-stop integrated supplier with both online and offline services to support the intelligent and digital development of the shipping industry.

COSCO SHIPPING International (Hong Kong) Co., Ltd.'s Assets, Operation, and Financial Data Table in Recent Years

Unit: HK$'000

	2021 AR	2022 AR	2023 AR	2024 AR	2025 IR
Intangible assets	107,664	108,721	106,843	359,764	355,365
Fixed assets	255,817	221,838	208,363	195,902	198,461
Right-of-use assets	41,412	43,815	48,155	42,257	40,236
Investment properties	158,545	151,305	145,933	136,367	139,598
Investments in joint ventures	499,999	527,896	668,448	759,695	690,161
Investments in associates	237,786	154,716	159,961	166,139	210,131
Financial assets at fair value through other comprehensive income	62,621	53,849	64,949	84,772	113,448
Deferred income tax assets	42,810	40,531	33,100	25,131	29,637
Non-current bank deposits	—	—	—	—	1,032,677
Total non-current assets	**1,406,654**	**1,302,671**	**1,435,752**	**1,770,027**	**2,809,714**
Inventories	443,548	304,765	298,333	401,734	237,946
Trade and other receivables	1,671,666	1,689,698	1,205,971	1,213,271	1,821,963
Current income tax recoverable	615	4,239	3,797	5,061	3,441
Restricted bank deposits	6,115	5,597	5,517	5,399	5,483
Current deposits and cash and cash equivalents	6,213,626	5,927,523	6,255,859	5,938,078	5,053,350
Total current assets	**8,335,570**	**7,931,822**	**7,769,477**	**7,563,543**	**7,122,183**
Total assets	**9,742,224**	**9,234,493**	**9,205,229**	**9,333,570**	**9,931,897**
Lease liabilities	4,738	6,969	15,197	11,808	9,694
Deferred income tax liabilities	63,308	67,336	64,035	77,334	80,213
Total non-current liabilities	**68,046**	**74,305**	**79,232**	**89,142**	**89,907**
Trade and other payables	894,585	703,137	705,489	807,372	1,073,450
Contract liabilities	306,514	305,483	212,739	203,303	233,501
Current income tax liabilities	30,933	21,046	17,956	20,619	49,585
Short-term borrowings	42,807	—	—	—	—
Lease liabilities	4,743	8,942	2,414	3,795	5,027
Total current liabilities	**1,279,582**	**1,038,608**	**938,598**	**1,035,089**	**1,361,563**
Total liabilities	**1,347,628**	**1,112,913**	**1,017,830**	**1,124,231**	**1,451,470**
Share capital	153,296	148,169	146,597	146,597	146,597
Reserves	7,907,721	7,654,418	7,692,858	7,725,989	7,983,909
Non-controlling interests	333,579	318,993	347,944	336,753	349,921
Shareholder's equity	**8,394,596**	**8,121,580**	**8,187,399**	**8,209,339**	**8,480,427**

Unit: HK$'000

	2021 AR	2022 AR	2023 AR	2024 AR	2025 IR
Revenue	4,533,549	3,962,539	3,341,729	3,627,126	1,934,118
Cost of sales	–3,764,176	–3,301,927	–2,678,095	–2,781,557	–1,435,315
Gross profit	769,373	660,612	663,634	845,569	498,803
Management fee income	77,942	56,837	82,954	94,570	42,277
Other income, net	35,163	–17,272	–6,346	–14,943	63,560
Selling, administrative and general expenses	–604,933	–497,346	–594,371	–732,862	–354,277
Operating profit	277,545	202,831	145,871	192,334	250,363
Finance income	47,979	98,366	266,716	273,980	112,872
Finance costs	–7,172	–2,015	–1,832	–2,213	–726
Finance income, net	40,807	96,351	264,884	271,767	112,146
Share of profits of joint ventures	63,711	117,529	237,582	303,111	178,709
Share of profits/(loss) of associates	–40,889	8,647	14,426	16,670	8,616
Profit before income tax	341,174	425,358	662,763	783,882	549,834
Income tax expenses	–37,568	–58,461	–54,157	–67,605	–55,209
Profit for the year	303,606	366,897	608,606	716,277	494,625

Note: The 2025 interim report data is unaudited.

According to analysis, the non-operating assets and liabilities of COSCO SHIPPING International (Hong Kong) Co., Ltd. as at 30 June 2025 are as follows:

Unit: HK$'000

Cash and cash equivalents	5,301,132.09
Investment properties	139,598.00
Investments in joint ventures	690,161.00
Investments in associates	210,131.00
Financial assets at fair value through other comprehensive income	113,448.00
Deferred income tax assets	29,637.00
Total non-operating assets	6,484,107.09
Deferred income tax liabilities	80,213.00
Total non-operating liabilities	80,213.00

② SUGIMOTO & CO., LTD

Stock Code: 9932.T

Company Profile: SUGIMOTO & CO., LTD is a trading company that mainly provides tools and measuring instruments to wholesalers and retailers. The company also deals in work equipment and power tools. Additionally, Sugimoto supplies pneumatic and hydraulic equipment, cutting tools, and office automation equipment.

Sugimoto's Assets and Operational Financial Data Table in Recent Years

Unit: JPY'000

	March 2022	**March 2023**	**March 2024**	**March 2025**	**Monthly Report for June 2025**
Cash and deposits	7,822,248	8,188,736	8,483,074	7,321,054	7,208,108
Notes receivables	1,534,845	1,773,027	1,023,864	658,096	—
Accounts receivables	9,202,148	8,631,935	9,476,591	10,264,364	9,630,998
Electronic receivables	5,557,932	4,594,163	5,797,828	5,428,440	5,174,535
Merchandise inventory	1,802,166	1,550,054	1,722,586	1,639,666	1,919,425
Other current assets	176,662	177,631	204,709	351,256	223,400
Allowance for doubtful accounts	–1,816	–1,687	–1,647	–1,571	–1,420
Total current assets	**26,094,185**	**24,913,859**	**26,707,005**	**25,661,305**	**24,155,046**
Buildings, net	2,276,125	2,357,908	2,770,166	3,778,950	3,726,424
Structures, net	42,131	42,946	57,014	55,692	56,390
Vehicles, net	69,543	71,970	9,078	11,001	9,839
Equipment, net	76,008	130,512	53,550	70,439	63,123
Land	5,797,669	5,837,052	6,180,432	6,170,872	6,178,956
Construction in progress	381,725	35,970	343,571	—	—
Total fixed assets	**8,643,201**	**8,476,358**	**9,413,811**	**10,086,954**	**10,034,732**
Telephone usage rights	38,894	38,894	38,894	38,894	38,894
Software	150,286	207,706	137,090	1,068,381	1,014,423
Goodwill	355,230	412,835	297,625	240,020	225,619
Development expenditure	129,206	—	349,072	—	—
Total intangible assets	**673,616**	**659,435**	**822,681**	**1,347,295**	**1,278,936**
Investment securities	3,565,457	3,475,623	4,718,216	4,280,783	5,466,360
Long-term deposits	—	—	—	—	—
Equity investments	14,860	14,860	14,860	14,860	14,860
Post-employment benefit assets	434,045	468,630	683,656	774,000	772,023
Deposits	217,924	219,884	223,967	223,016	222,537
Other long-term assets	83,855	90,491	17,644	20,625	25,781
Allowance for doubtful accounts	–2,720	–4,280	–2,200	–1,960	–2,100
Total investments and other assets	**4,313,421**	**4,265,208**	**5,656,143**	**5,311,324**	**6,499,461**

Unit: JPY'000

	March 2022	March 2023	March 2024	March 2025	Monthly Report for June 2025
Total assets	**39,724,423**	**38,314,860**	**42,599,640**	**42,406,878**	**41,968,175**
Accounts payable	3,567,966	3,592,237	3,702,001	4,101,931	3,488,320
Accrued wages	313,461	374,212	381,548	320,580	262,289
Accrued expenses	—	—	659,923	690,172	382,631
Short-term borrowings	598,562	573,652	—	—	2,000,000
Corporate tax payable	516,803	539,150	449,396	575,075	58,504
Consumption tax payable	107,720	59,564	129,914	88,577	108,747
Other current liabilities	75,529	109,299	101,773	55,396	280,092
Total current liabilities	**5,180,041**	**5,248,114**	**5,424,555**	**5,831,731**	**6,580,583**
Long-term accrued wages	231,250	231,250	125,500	125,500	125,500
Advance deposits	153,318	149,318	152,251	152,851	152,951
Deferred tax liabilities	280,457	269,780	806,368	686,687	857,527
Other long-term liabilities	—	—	—	—	—
Post-employment benefit obligation	143,853	148,737	132,869	124,827	124,728
Total long-term liabilities	**808,878**	**799,085**	**1,216,988**	**1,089,865**	**1,260,706**
Total liabilities	**5,988,919**	**6,047,199**	**6,641,543**	**6,921,596**	**7,841,289**
Registered capital	2,597,406	2,597,406	2,597,406	2,597,406	2,597,406
Capital surplus	2,529,295	2,529,295	2,529,295	2,529,295	2,529,295
Retained earnings and undistributed profit	29,910,982	28,414,125	31,082,228	32,307,907	32,012,828
Treasury stock	–2,549,906	–2,549,906	–2,550,013	–3,933,919	–5,097,874
Total shareholders' equity	**32,487,777**	**30,990,920**	**33,658,916**	**33,500,689**	**32,041,655**
Valuation difference on available-for-sale securities	1,340,880	1,237,618	2,161,799	1,831,064	1,941,520
Post-employment benefit adjustment	12,600	39,124	137,382	153,531	143,713
Stock subscription rights	—	—	—	—	—
Total other comprehensive income	**1,353,480**	**1,276,742**	**2,299,181**	**1,984,595**	**2,085,233**
Total net assets	**33,841,257**	**32,267,662**	**35,958,097**	**35,485,284**	**34,126,888**

Unit: JPY'000

	2022	2023	2024	2025	Monthly Report for June 2025
Sales revenue	45,558,748	43,120,380	46,636,218	49,465,116	11,170,441
Cost of sales	36,798,840	34,780,271	37,342,595	39,675,111	8,997,276
Gross profit	8,759,908	8,340,109	9,293,623	9,790,005	2,173,165
Selling and administrative expenses	6,582,701	6,268,670	7,012,413	7,394,242	1,896,179
Operating profit	**2,177,207**	**2,071,439**	**2,281,210**	**2,395,763**	**276,986**
Interest income	567	706	628	1,901	886
Dividend income	81,407	59,758	84,800	95,007	11,911
Purchase discounts	296,285	287,070	284,629	290,119	71,269
Rental income	104,325	99,783	109,749	117,923	32,091
Non-operating income	23,015	25,626	64,801	55,939	11,284
Total non-operating income	**505,599**	**472,943**	**544,607**	**560,889**	**127,441**
Interest expense	1,343	1,333	1,018	1,979	2,016
Foreign exchange loss	—	—	—	—	—
Treasury stock acquisition cost	—	3,148	—	13,836	10,475
Miscellaneous expenses	—	—	—	30,000	—
Other non-operating expenses	2,759	5,168	732	4,259	3,063
Total non-operating expenses	**4,102**	**9,649**	**1,750**	**50,074**	**15,554**
Recurring profit	**2,678,704**	**2,534,733**	**2,824,067**	**2,906,578**	**388,873**
Gain on disposal of fixed assets	123,036	7,041	463	2,129	—
Loss on disposal of fixed assets	45	6,611	5,195	11,420	8
Loss on liquidation of affiliated companies	31,118	—	1,231	—	—
Gain on investment securities	147,079	–1,880	—	—	4,695
Impairment loss	48,603	—	—	33,260	—
Profit before income tax	**2,869,053**	**2,533,283**	**2,818,104**	**2,864,027**	**393,560**
Corporate income tax, inhabitants tax and enterprise tax	774,298	861,666	836,740	942,532	44,055
Adjustments of corporate tax	–6,798	36,737	104,639	4,260	119,028
Total corporate tax	**767,500**	**898,403**	**941,379**	**946,792**	**163,083**
Net profit	**2,101,553**	**1,634,880**	**1,876,725**	**1,917,235**	**230,477**
Minority interest	—	—	—	—	—
Net profit attributable to parent	**2,101,553**	**1,634,880**	**1,876,725**	**1,917,235**	**230,477**

According to analysis, the non-operating assets and liabilities of Sugimoto as at 30 June 2025 are as follows:

Unit: JPY'000

Investments in securities	5,466,360
Equity investments	14,860
Total non-operating assets	5,481,220
Long-term accrued wages	125,500
Long-term advance deposits	152,951
Deferred income tax liabilities	857,527
Total non-operating liabilities	1,135,978

③ Tak Lee Machinery Holdings Limited

Stock Code: 2102.HK

Company Profile: Tak Lee is a Hong Kong-based supplier for the sales and rental services of heavy equipment, having operated in the industry for over 23 years. It is mainly engaged in (i) the sale of new and used heavy equipment and parts; (ii) heavy equipment rental; and (iii) the provision of maintenance, logistics and other auxiliary services.

Tak Lee's Assets and Operational Financial Data Table in Recent Years

Unit: HK$'000

	2022 AR	2023 AR	2024 AR	2025 AR
Fixed assets	151,740	151,027	149,214	144,693
Right-of-use assets	21,440	22,887	21,906	17,876
Investment properties	15,245	14,633	14,021	13,000
Deferred income tax assets	1,578	1,709	—	—
Total non-current assets	**190,003**	**190,256**	**185,141**	**175,569**
Inventories	138,223	145,602	134,513	98,657
Trade and lease receivables	96,808	103,085	81,631	58,766
Other receivables, prepayments, and deposits	18,109	13,237	15,021	39,357
Current tax assets	—	—	1,630	—
Current deposits and cash and cash equivalents	87,242	47,022	73,765	118,515
Total current assets	**340,382**	**308,946**	**306,560**	**315,295**
Total assets	**530,385**	**499,202**	**491,701**	**490,864**
Provisions	—	—	—	1,011
Lease liabilities	1,066	2,164	2,265	918
Deferred income tax liabilities	24,128	22,622	21,448	21,192
Total non-current liabilities	**25,194**	**24,786**	**23,713**	**23,121**
Trade payables	7,993	10,468	4,303	1,495
Other payables and accrued expenses	9,203	7,293	7,730	6,699
Contract liabilities	2,968	1,707	8,729	9,428
Borrowings	29,070	5,476	—	—
Lease liabilities	2,785	3,822	3,499	1,510
Tax payables	8,608	4,009	—	6,669
Total current liabilities	**60,627**	**32,775**	**24,261**	**25,801**
Total liabilities	**85,821**	**57,561**	**47,974**	**48,922**
Share capital	10,000	10,000	10,000	10,000
Other reserves	434,564	431,641	433,727	431,942
Equity	**444,564**	**441,641**	**443,727**	**441,942**

Unit: HK$'000

	2022 AR	2023 AR	2024 AR	2025 AR
Revenue	395,182	271,997	279,335	330,652
Cost of sales	–308,152	–218,895	–222,018	–262,902
Gross profit	87,030	53,102	57,317	67,750
Other net income	7,227	1,927	402	5,545
Administrative expenses	–40,145	–42,288	–42,058	–42,237
Provision for trade and lease receivables	119	–3,141	–3,203	2,741
Operating profit	54,231	9,600	12,458	33,799
Finance costs	–916	–863	–1,082	–178
Finance income, net	–916	–863	–1,082	–178
Profit before income tax	53,315	8,737	11,376	33,621
Income tax expenses	–8,253	–1,660	–4,290	–5,458
Profit for the year	45,062	7,077	7,086	28,163

Note: Tak Lee's financial year ends annually on July 31.

According to analysis, the non-operating assets and liabilities of Tak Lee as at 31 July 2025 are as follows:

Unit: HK$'000

Investment properties	13,000
Total non-operating assets	13,000
Provisions	1,011
Deferred tax liabilities	21,192
Total non-operating liabilities	22,203

3. ***Select and calculate value ratios of comparable companies***

A value ratio refers to a "ratio multiple" between asset value and its financial indicators or other specific non-financial indicators. Since the Market Approach requires determining the value ratios of the appraised enterprise by analyzing the relationship between the market value of equity or total invested capital of comparable companies and various indicators, and then estimating the value of equity or total invested capital based on the valuation subject's parameters. Therefore, value ratios serve as the foundation for comparative analysis under the Market Approach.

(a) *Definition of value ratios*

Value ratios can be based on profitability indicators, revenue indicators, asset indicators, or other special non-financial indicators. Different types of value ratios can be derived from different indicators, such as profitability-based value ratios derived from profitability based indicator or asset-based value ratios derived from asset-based indicator.

Common value ratios include:

(i) Profitability-based value ratios

Profitability-based value ratios establish a ratio between asset value and profitability indicators. They can be subdivided into total investment value ratios and equity investment value ratios:

EBIT: Earnings Before Interest and Taxes

EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization

Equity value = total shares × share price

Total investment value = equity value + debt value

EV: Enterprise Value

Earnings Before Interest and Taxes value ratio: EV/EBIT = (equity value + debt value)/EBIT

Earnings Before Interest, Taxes, Depreciation, and Amortization value ratio: EV/EBITDA = (equity value + debt value)/EBITDA

Net Operating Income After Tax value ratio: EV/NOIAT = (equity value + debt value)/NOIAT

where NOIAT = EBIT × (1-T) + depreciation/amortization

Price-to-Earnings value ratio: P/E=equity value/net profit

Equity Cash Flow value ratio: Equity Cash Flow value ratio = equity value/equity cash flow

(ii) Revenue-based value ratios

Revenue-based value ratios establish a ratio between asset value and sales revenue. They can be subdivided into total investment value ratios and equity investment value ratios:

Sales value ratio: Sales value ratio = (equity value + debt value)/sales revenue

Price-to-Sales value ratio: P/S = equity value/sales revenue

(iii) Asset-based value ratios

Asset-based value ratios establish a ratio between asset value and asset-related indicators. They can be subdivided into total investment value ratios and equity investment value ratios:

Total asset value ratio: Total asset value ratio = (equity value + debt value)/book value of total assets

Fixed asset value ratio: Fixed asset value ratio = (equity value + debt value)/book value of fixed assets

Price-to-Book value ratio: P/B = equity value/book value of net assets

(iv) Other special value ratios

Other special value ratios are ratios between asset value and specific non-financial indicators.

Value ratios are categorized into profitability value ratios, asset value ratios, income value ratios, and other special value ratios. When selecting the value ratios, the following points should be considered: (1) The chosen value ratio should facilitate a reasonable determination of the value of the appraised object; (2) The calculation of value ratios should maintain consistency; (3) The application of value ratios should make reasonable adjustments for differences between comparable objects and the appraised unit.

Yuantong's profitability is relatively stable, and investors focus on profit and cash flow growth. Therefore, choosing profit-related value ratios is more conducive to reasonably determining the value of the valuation object.

Profitability-related value ratios are divided into equity value ratios (such as P/E) and total investment-based ratios (such as EV/EBITDA). When there are significant differences in capital structure between comparable companies and the target enterprise, the total investment-based ratios are more applicable. Since there are no significant differences in capital structure between Yuantong and comparable companies, it is more appropriate to use equity value ratios (P/E).

(b) *Rationale for selecting value ratios*

Revenue-based value ratios reflect the relationship between operational scale and market value of total invested capital or equity.

Asset-based value ratios reflect the relationship between asset indicators and total investment or market value of equity.

Profitability-based value ratios reflect the relationship between profitability indicators and total investment or market value of equity.

For this valuation, the Price-to-Earnings (P/E) value ratio is selected. P/E is suitable for companies with stable earnings and where investors focus on profit and cash flow growth. It is widely used in corporate valuations and offers significant practical reference value.

(c) *Calculation of value ratios*

The Valuation Reference Date is 31 July 2025. The P/E ratios of comparable listed companies are as follows:

Stock Code	Company Name	P/E
517.HK	COSCO SHIPPING International (Hong Kong) Co., Ltd.	15.44
9932.T	SUGIMOTO & CO., LTD	24.10
2102.HK	Tak Lee Machinery Holdings Limited	13.04

(d) *Adjustment factors*

(i) Country/region adjustment

The appraised entity is registered in Hong Kong, China. COSCO SHIPPING International (Hong Kong) Co., Ltd. and Tak Lee Machinery Holdings Limited are both registered in Hong Kong, China, while SUGIMOTO & CO., LTD. is registered in Japan. Therefore, a country/region adjustment is required. Based on Moody's sovereign credit ratings for Hong Kong and Japan, the following adjustments are applied:

Indicator	COSCO SHIPPING International	Sugimoto	Tak Lee	Appraised Entity
Country/Region	Hong Kong	Japan	Hong Kong	Hong Kong
Moody's Rating	Aa3	A1	Aa3	Aa3
Rating Tier	High Grade	Upper Medium Grade	High Grade	High Grade
Adjustment Coefficient	100	98	100	100
Country/Region Adjustment	1.0000	1.0204	1.0000	

(ii) Financial performance adjustment

A comparative analysis of financial indicators between comparable companies and the appraised entity was conducted. Scores were calculated for each indicator, and overall scores were derived by applying respective weights. The appraised entity's total score was compared with those of comparable companies to determine adjustment coefficients for their value ratios. Adjusted value ratios were then calculated.

Financial Indicators of Companies

No.	Indicator	COSCO SHIPPING International	Sugimoto	Tak Lee	Appraised Entity
I	**Profitability Indicators**				
1	Return on Equity (%)	4.70%	4.77%	2.18%	13.32%
2	Return on Total Assets (%)	3.58%	6.14%	2.77%	9.75%
3	Sales/Business Operating Profit Margin (%)	3.05%	4.84%	4.46%	5.16%
II	**Asset Quality Indicators**				
4	Total Asset Turnover (times)	1.14	1.27	0.60	1.87
5	Accounts Receivable Turnover (times)	2.56	2.92	3.48	7.37
6	Inventory Turnover (times)	10.68	27.88	2.25	520.10
III	**Debt Risk Indicators**				
7	Asset-Liability Ratio (%)	32.29%	15.27%	6.12%	28.44%
8	Interest-Bearing Debt Ratio (%)	0.00%	0.00%	5.22%	0.00%
IV	**Operating Growth Indicators**				
9	Sales/Business Growth Rate (%)	–6.58%	2.96%	–3.37%	1.01%
10	Capital Preservation and Appreciation Rate (%)	2.15%	1.49%	–0.17%	29.21%
11	Cost per 100 units of Revenue	96.95	95.16	94.53	94.67

Note: The financial indicators above have been adjusted to exclude non-operating assets and liabilities and non-recurring gains/losses.

Adjustment Coefficient Table for Comparison Factors

No.	Indicator	COSCO SHIPPING International	Sugimoto	Tak Lee	Appraised Entity
I	**Profitability Indicators**				
1	Return on Equity (%)	82	82	64	100
2	Return on Total Assets (%)	73	82	73	100
3	Sales/Business Operating Profit Margin (%)	91	100	100	100
II	**Asset Quality Indicators**				
4	Total Asset Turnover (times)	84	84	68	100
5	Accounts Receivable Turnover (times)	68	76	84	100
6	Inventory Turnover (times)	84	100	68	100
III	**Debt Risk Indicators**				
7	Asset-Liability Ratio (%)	94	100	106	100
8	Interest-Bearing Debt Ratio (%)	100	100	76	100
IV	**Operating Growth Indicators**				
9	Sales/Business Growth Rate (%)	94	106	94	100
10	Capital Preservation and Appreciation Rate (%)	88	88	76	100
11	Cost per 100 units of Revenue	94	100	100	100

Financial performance adjustment coefficient = appraised entity's total score/comparable company's total score

Adjusted value ratio = pre-adjustment value ratio × country/region adjustment × financial performance adjustment coefficient

Adjustment Coefficient Table for Comparison Factors

No.	Indicator	Weight %	COSCO SHIPPING International	Sugimoto	Tak Lee
I	**Profitability Indicators**				
1	Return on Equity (%)	12.00	1.2195	1.2195	1.5625
2	Return on Total Assets (%)	12.00	1.3699	1.2195	1.3699
3	Sales/Business Operating Profit Margin (%)	10.00	1.0989	1.0000	1.0000
II	**Asset Quality Indicators**				
4	Total Asset Turnover (times)	8.00	1.1905	1.1905	1.4706
5	Accounts Receivable Turnover (times)	7.00	1.4706	1.3158	1.1905
6	Inventory Turnover (times)	7.00	1.1905	1.0000	1.4706
III	**Debt Risk Indicators**				
7	Asset-Liability Ratio (%)	12.00	1.0638	1.0000	0.9434
8	Interest-Bearing Debt Ratio (%)	10.00	1.0000	1.0000	1.3158
IV	**Operating Growth Indicators**				
9	Sales/Business Growth Rate (%)	7.00	1.0638	0.9434	1.0638
10	Capital Preservation and Appreciation Rate (%)	8.00	1.1364	1.1364	1.3158
11	Cost per 100 units of Revenue	7.00	1.0638	1.0000	1.0000
V	**Financial Performance Adjustment Coefficient**	**100.00**	**1.1696**	**1.0970**	**1.2503**
VI	**Country/Region Adjustment Coefficient**		**1.0000**	**1.0204**	**1.0000**
VII	**Comprehensive Adjustment Coefficient**		**1.1696**	**1.1194**	**1.2503**

Adjusted P/E Ratios of Comparable Companies

No.	Comparable Company	Comparable Company's P/E	Adjustment Coefficient	Weight	Adjusted P/E
1	COSCO SHIPPING International	15.44	1.1696	0.4	
2	Sugimoto	24.10	1.1194	0.4	
3	Tak Lee	13.04	1.2503	0.2	
	Average Value				**21.28**

Since COSCO SHIPPING International and the appraised entity both primarily engage in the trading of ship spare parts, while Sugimoto is closer in business and asset scale to the appraised entity, each was assigned a 40% weight.

COSCO SHIPPING International, Sugimoto, Tak Lee and Yuantong have similarities in business model, revenue composition, and asset allocation. However, considering Tak Lee's smaller market capitalization, the use of P/E indicators may result in a more significant impact on its value ratio due to market fluctuations. Therefore, Tak Lee is assigned a weight of 20%. COSCO SHIPPING International and Sugimoto, with their larger market capitalizations, exhibit greater stability in their value ratios amidst market fluctuations. As a result, they are each assigned a weight of 40%.

Based on the above calculations, the appraised entity's adjusted P/E ratio is 21.28.

4. ***Liquidity adjustment***

The free liquidity of equity has a significant impact on its value. Since the appraised entity is a non-listed company, its equity cannot be traded on the stock exchange market, and the effect of the discount on lack of marketability ("**DLOM**") should be considered.

This project employs the listed comparable company method. While the stock prices of listed companies represent the value of liquid equity, the appraised entity is typically a non-listed company, and its equity lacks liquidity. Therefore, it is necessary to apply a liquidity discount adjustment to the stock prices of listed companies to reflect the equity value of the non-listed company under valuation.

Drawing on international methodologies for quantifying the DLOM, and adapting to the actual circumstances, our company adopted a comparative analysis approach to estimate the DLOM by comparing the Price-to-Earnings (P/E) ratios observed in M&A transactions of non-listed company with those of listed companies. The basic idea is to collect and analyze the P/E ratios of non-listed company M&A cases, then compare them with the P/E ratios of listed companies in the same period, and estimate the DLOM based on the difference between the two types of P/E ratios.

Following the collection of data on non-listed company M&A transactions occurring in major markets during 2024 and the relevant status of listed companies as of the end of 2024, a comparison of the contemporaneous P/E ratios for these two types of company was performed. Through analysis and calculation, the DLOM for 2024 was determined. According to the research data published by our company, the DLOM is 33.08%, which is arrived at as follows:

	Non-listed company M&A transactions		Listed companies		
The Key Global Market	**Sample Size**	**Average P/E**	**Sample Size**	**Average P/E**	**DLOM**
Total/Average	1,811	18.16	15,458	27.13	33.08%

Data sources: Bloomberg Terminal, iFinD Financial Data Terminal, and various equity exchanges.

Sample period: 1 January 2024 to 31 December 2024.

Sample size: 1,811 non-listed company M&A cases in major markets and 15,458 listed companies.

Formula for calculating the DLOM: 1 – Average P/E of non-listed company M&A cases ÷ Average P/E of listed companies.

5. ***Valuation of shareholders' entire equity***

Based on the above calculations, the valuation process for the entire equity of Yuantong using the Market Approach is as follows:

Valuation under the Market Approach = 2025 net operating profit × adjusted P/E ratio × (1–DLOM) + net non-operating assets and liabilities

= HK$84,974,400 × 21.28 × (1–33.08%) + HK$205,055,300

= HK$1,415,139,700

The 2025 net operating profit of HK$84,974,400 is calculated from the revenue of HK$1,859,975,900, costs of HK$1,603,067,300, expenses of HK$153,561,100 and income tax of HK$18,373,100, which are financial figures for the 12 months figures to 31 July 2025.

Net non-operating assets and liabilities = surplus assets + non-operating assets – non-operating liabilities

= HK$69,217,700 + HK$151,257,400 – HK$15,419,800

Ten thousand HK$

Non-operating asset	content	Book value	Appraised value
Property	Idle buildings	59.19	1,404.60
Investment Property	Rental investment property	8,993.39	8,852.40
Investment in associates	Shenzhen COSCO Insurance Brokers Limited	3,406.65	3,397.06
Investment in associates	Tianjin Marine Electronic Co., Ltd., COSCO SHIPPING (Dalian) Electronic Technology Co., Ltd., and Shanghai Ocean Radio Co., Ltd.	1,296.40	1,277.64
Other receivables	Non-operating other receivables	140.12	140.12
Deferred income tax assets	Deferred income tax assets	9.36	9.36
Dividends receivables	Shanghai Ocean Radio Co., Ltd. Dividends	44.56	44.56
Total		13,949.67	15,125.74
Non-operating liabilities			
Other payables	Non-operating Other payables	706.51	706.51
Other payables	Intercompany transactions	835.47	835.47
Total		1,541.98	1,541.98

Surplus assets: the cash and cash equivalents of the enterprise on the Valuation Reference Date amounted to HK$70,919,200, and the deposits in the finance company were HK$280,389,300, totaling HK$351,308,500. After calculation, the cash-on-hand costs required to be retained for the enterprise's daily operations were HK$282,090,800. Therefore, the surplus assets of the evaluated unit on the Valuation Reference Date were HK$69,217,700.

6. *Valuation conclusion under the Market Approach*

As at the Valuation Reference Date of 31 July 2025, the appraised value of entire equity of Yuantong was HK$1,415,139,700 under the Market Approach, representing an appreciation of HK$670,419,700 as compared with the book value of entire equity interest of Yuantong of HK$744,720,000. The percentage of appreciation is 90.02%.

XI. VALUATION CONCLUSION

(1) Results of the Market Approach

As at the Valuation Reference Date of 31 July 2025, the appraised value of entire equity of Yuantong was HK$1,415,139,700 under the market approach, representing an appreciation of HK$670,419,700 or 90.02% as compared with the book value of entire equity interest of Yuantong of HK$744,720,000.

(2) Selection of the Valuation Conclusions

The market approach determines the equity value of the appraised entity by comparing it with identical or similar publicly listed companies and analyzing their respective characteristics. This method is influenced by the comparable companies and the adjustment framework applied. As a globally recognized valuation method, the market approach effectively reflects the value of the appraised entity as of the Valuation Reference Date. The valuation conclusion herein is based on the results of the market approach.

Based on the foregoing analysis, the results of the market approach have been adopted in this valuation report as the final valuation conclusion. The appraised value of the entire equity interest of Yuantong is HK$1,415,139,700 (rounded to the nearest hundred).

Summary Table of Valuation Results
Valuation Reference Date: 31 July 2025

Appraised Entity: Yuantong *Unit: HK$'0000*

Item		Book Value A	Appraised Value B	Appreciation C = B–A	Appreciation Rate D = C/A×100%
1	Current Assets	83,911.92			
2	Non-current Assets	12,274.98			
3	Total Assets	96,186.90			
4	Current Liabilities	21,513.44			
5	Non-current Liabilities	201.46			
6	Total Liabilities	21,714.90			
7	Net Assets (Equity Attributable to Owners)	74,472.00	141,513.97	67,041.97	90.02%

Based on the mid-point exchange rates for RMB to HK$ of 0.91079 as announced by the Bank of China on the Valuation Reference Date, the entire equity value of Yuantong is RMB1,288,895,100 (rounded to the nearest hundred).

Summary Table of Valuation Results
Valuation Reference Date: 31 July 2025

Appraised Entity: Yuantong *Unit: RMB'0000*

Item		Book Value A	Appraised Value B	Appreciation C = B–A	Appreciation Rate D = C/A×100%
1	Current Assets	76,426.14			
2	Non-current Assets	11,179.93			
3	Total Assets	87,606.07			
4	Current Liabilities	19,594.23			
5	Non-current Liabilities	183.49			
6	Total Liabilities	19,777.72			
7	Net Assets (Equity Attributable to Owners)	67,828.35	128,889.51	61,065.16	90.02%

The reason for the appreciation is as follows: Through years of dedicated cultivation and accumulation, Yuantong has developed unique resources, including a technical talent pool and management team with extensive practical experience, strong performance track record, excellent reputation and credibility, as well as a stable customer base. Although these intangible resources are not reflected in the book value of assets, they provide critical support for the future development of Yuantong. This valuation has taken into account the economic value contributed by these unique resources, resulting in the observed appreciation.

The validity period of the valuation conclusion set out in the valuation report is one year, commencing from the Valuation Reference Date of 31 July 2025 and expiring on 30 July 2026.

The impact of control on the value of the valuation subject has not been considered in this valuation.

The impact of liquidity on the value of the valuation subject has been taken into account in this valuation under the market approach.

XII. SPECIAL MATTERS

(1) Significant Use of Experts' Work and Relevant Reports

1. The financial statements corresponding to the on-balance sheet assets and liabilities represented by the company have been audited by SHINEWING (HK) CPA Limited in accordance with Hong Kong Accounting Standards, and an audit report was issued on 21 November 2025. According to the audit report, the auditors stated that: "In our opinion, the consolidated financial statements of the Group for the year ended 31 December 2024 and seven months ended 31 July 2025 are prepared, in all material respects, in accordance with the accounting policies set out in note 3 to the consolidated financial statements".

The audit report was prepared for the capital increase corresponding to the valuation purpose, and is not related to the statutory financial statements of the appraised entity for the year ended 31 December 2024. The statement extracted from the audit report is as below: "The consolidated financial statements for the year ended 31 December 2024 and the seven months ended 31 July 2025 have been prepared for the proposed capital injection by COSCO SHIPPING International to COSCO SHIPPING Green Digital Intelligence Ship Services Co., Ltd. as defined in note 2. Consequently, these consolidated financial statements and the comparative figures do not constitute the company's statutory financial statements for any of the year ended 31 December 2024 or seven months ended 31 July 2025. Information relating to the company's statutory financial statements for the financial year ended 31 December 2024 required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows."

The audit opinion is not modified in respect of this matter. For the purpose of this valuation, the audited book values were adopted as the basis for valuation.

2. The appraised entity has engaged ShineWing Certified Public Accountants (Special General Partnership) to make adjustments to the audit report for the differences between Hong Kong Financial Reporting Standards and PRC Accounting Standards, the original text of which is as follows:

"Under HKFRSs, the investment properties of the company are initially measured at cost, including related transaction costs and other applicable costs. Subsequent to initial recognition, investment properties are stated at fair value. The company engages an independent professional valuer to assess the fair value of investment properties annually, and changes in fair value are recognized in the consolidated statement of profit or loss. Under the PRC Accounting Standards for Business Enterprises, COSCO SHIPPING Technology adopts the cost model to perform subsequent measurement of investment properties, and performs depreciation or amortization in accordance with policies consistent with those for buildings or land use rights. Based on the aforementioned basis of preparation, this financial report adopts the cost model for the subsequent measurement of investment properties in accordance with the policies adopted by COSCO SHIPPING Technology.

Save for the matters described above, the financial statements of the company have been prepared on a going concern basis and based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises and their application guidance, interpretations and other relevant regulations issued by the Ministry of Finance (collectively, the "**ASBE**"), and the disclosure requirements of the Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 — General Provisions on Financial Reporting (2023 Revision) issued by the China Securities Regulatory Commission."

(2) Incomplete or Defective Ownership Documentation

None.

(3) Restrictions on the Performance of Valuation Procedures

As the main assets of Shin Chung Lin Corporation, Yuan Hua Technical & Supply Corporation and Hanyuan Technical Service Center GmbH are located in Japan, the United States and Germany respectively, and the amount of assets is relatively small, no on-site verification procedures were performed for the aforesaid three subsidiaries in this valuation, while alternative procedures such as remote data collection, collection of photographs of tangible assets, video stock-taking, verification of material contracts, and interviews with persons-in-charge were performed.

The circumstances in which the aforesaid valuation procedures were subject to limitations do not affect the valuation conclusion herein.

(4) Incomplete Valuation Information

None.

(5) Pending Legal, Economic or Other Matters as at the Valuation Reference Date

None.

(6) Nature and Amount of Guarantees, Leases and Contingent Liabilities (Contingent Assets) and their Relationship with the Valuation Subject

As of the Valuation Reference Date, the external leasing of the investment properties of the appraised entity is as follows:

Name of Properties	Lessors	Lessees	Lease Term	Rental
FLAT A5 ON 10/F KWAN YICK BUILDING, PHASE III, NOS. 271–285 DES VOEUX ROAD WEST AND NO. 158A CONNAUGHT ROAD WEST, HONG KONG	Yuantong	Chan Mong Yuk	From 1 November 2024 to 31 October 2026	HK$12,000 monthly
19TH FLOOR NAN DAO COMMERCIAL BUILDING NOS. 359 & 361 QUEEN'S ROAD CENTRAL NOS. 128 & 130 BONHAM STRAND HONG KONG	Yuantong	PMA MARKETING CONSULTANCY LIMITED	From 17 March 2025 to 16 March 2027	HK$54,000 monthly
FLAT B10 ON 12/F KWAN YICK BUILDING PHASE III, NOS. 271–285 DES VOEUX ROAD WEST AND NO. 158A CONNAUGHT ROAD WEST, HONG KONG	Yuantong	Yeung Chun Hing	From 11 June 2025 to 10 June 2031	HK$34,000 monthly
FLAT F, ON 15/F,RICH VIEW TERRACE, NO.26 SQUARE STREET, HONG KONG	Yuantong	Lam Hiu Fung Cheung Shek Cheung Hoi Pang	From 12 September 2024 to 11 September 2026	HK$17,500 monthly
FLAT B2 ON 24/F KWAN YICK BUILDING PHASE III, NOS. 271–285 DES VOEUX ROAD WEST AND NO. 158A CONNAUGHT ROAD WEST, HONG KONG	Yuantong	Wu Sun Luk Ko Yat	From 1 July 2025 to 30 June 2027	HK$16,000 monthly
207 HENDERSON ROAD #01-03 & 02-03 HENDERSON INDUSTRIAL PARK SINGAPORE 159550	Xing Yuan (Singapore) Pte. Ltd.	XDEL SINGAPORE PTE LTD	From 4 March 2025 to 3 March 2030	SGD11,500 monthly
207 HENDERSON ROAD #03-03 SINGAPORE 159550	Xing Yuan (Singapore) Pte. Ltd.	J.KEART ALLIANCES PTE LTD	36 months from 4 January 2025	SGD6,000 monthly

The impact of aforesaid lease on the appraised value has been taken into account in this valuation.

(7) Material Subsequent Events

As at the Valuation Reference Date of 31 July 2025, the long-term equity investment of Yuantong represented the 31% equity interest held by it in Shenzhen COSCO Insurance Brokers Limited. Yuantong Marine Trade (Shanghai) Co., Ltd. proposed to transfer a 1% equity interest in Shenzhen COSCO Insurance Brokers Limited by way of non-public agreement transfer pursuant to the agreement dated 31 December 2024. As at the date of the valuation report, the transaction had not yet been completed. The appraised value of this valuation is determined based on the 31% equity interest held in Shenzhen COSCO Insurance Brokers Limited as at the Valuation Reference Date, without taking into account the potential impact that the equity transaction after the Valuation Reference Date may have on the valuation conclusion.

(8) Defects in the Economic Behavior Corresponding to the Asset Valuation that May Have a Material Impact on the Valuation Conclusion

None.

(9) Other Matters to be Stated

The exchange rates applied on the Valuation Reference Date were based on the rates between HK$ and other currencies as follows:

Currencies	Exchange Rate
RMB	1.09794
SGD	5.92764
JPY	0.05266
USD	7.80033
EUR	8.60649

The exchange rates applied subsequent to the Valuation Reference Date are based on the rates between HK$ and other currencies as of the Valuation Reference Date. No consideration has been given to the potential impact of exchange rate fluctuations subsequent to the Valuation Reference Date on the appraised value.

XIII. DATE OF THE ASSET VALUATION REPORT

The date of this Asset Valuation Report is 31 December 2025.

I. VALUATION PURPOSE

COSCO SHIPPING Technology Co., Ltd. proposes to make a capital contribution by contributing the SMART SAILING Platform asset package at an appraised value. The purpose of this evaluation is to reflect the market value of the relevant assets proposed to be contributed by COSCO SHIPPING Technology Co., Ltd. as at the Valuation Reference Date, providing a value reference for the relevant economic behaviour.

II. VALUATION OBJECT AND SCOPE

(1) Valuation Subject

The valuation subject comprises certain assets and is consistent with the contemplated economic behaviour.

(2) Valuation Scope

The assets declared by the property rights holder and included in the valuation scope comprise the SMART SAILING Platform asset package. The total book value of the declared assets declared by the property rights holder is nil. The book value has not been specifically audited by auditing institution and the property rights holder is responsible for the declaration.

The assets included in the valuation scope comprise the SMART SAILING Platform asset package. As the platform was developed internally by the enterprise and the related research and development costs had been expensed, the carrying amount is nil.

(3) Overview of the Assets Under Valuation

The assets under valuation comprise is the SMART SAILING Platform asset package which consists of the SMART SAILING Platform and its derivatives generated during the research and development process, including 5 patent applications, 3 software copyrights, 11 trademarks, 3 domain names, 6 sets of Platform source codes, and other data assets (such as database structures, user manuals and all codes, data and documentation related to the operation of the SMART SAILING software platform).

The SMART SAILING Platform project was led by the R&D Innovation Center and the Digital Shipping Services Division of COSCO SHIPPING Technology Co., Ltd with the project approved and established in September 2022. Its primary objective is to address the shortcomings of traditional shipping services industry — characterised by fragmentation, diversification, weak integration, and large-scale — and to align with the intelligent development trends of the shipping industry and the COSCO SHIPPING Group's deepening reform requirements.

Following approximately 25 months of research and development, the project achieved notable achievements, and the SMART SAILING Platform was officially delivered in October 2024. The platform implements an efficient, multi-terminal operational management across the portal terminal, the operation terminal, and the supplier terminal.

The portal terminal is designed for shipowners and ship management companies, providing digital solutions for various scenarios in their daily operations, including green and low-carbon vessel operations, collision avoidance detection and safety risk identification.

The operations terminal is designed for category operation teams of different ship services by providing digital capabilities that cover the entire life cycle of vessel service and offering comprehensive services tailored to the characteristics of each stage.

Currently, the platform's digital intelligence capabilities have covered two core application scenarios: vessels and spare parts.

Specifically, the full life cycle of ship spare parts has basically achieved full-process digitization. Through the aforementioned algorithmic capabilities, the platform digitally manages the full life cycle of ship spare parts from procurement to disposal. Ultimately, the system optimizes the fuel supply chain and improves resource utilization efficiency.

In overseas fuel procurement scenarios, the platform also empowers supply chain solutions through its digital intelligence capabilities and has commenced operations, ultimately reducing procurement costs and improving procurement efficiency.

The supplier terminal provides a convenient connection platform between shipowners and suppliers, promoting efficient collaboration between the two parties and optimizing the supply chain ecosystem.

During the development of the platform, patent application rights, software copyrights, trademarks, domain names, the platform's source codes, and other related data assets (such as database structures, user manuals, and all codes, data, and documents related to the operation of the SMART SAILING software platform) were also generated. These assets collectively constitute the platform asset package, with specific details as follows:

1. ***Patent Application Rights***

NO.	Patent No.	Patent Title	Patent Type	Application Date	Publication Date	Applicant
1	202411266980.X	Automated Processing System and Method for Marine Equipment Price Enquiry	Invention Patent	10 Sep. 2024	31 Dec. 2024	COSCO SHIPPING Technology Co., Ltd.
2	202510028481.5	Remote Monitoring and Diagnostic Method and System for Key Equipment of Intelligent Vessels	Invention Patent	7 Jan. 2025	18 Apr. 2025	COSCO SHIPPING Technology Co., Ltd.
3	202410313554.0	No-Code Integration Method for Shipping Digital Meta-Applications	Invention Patent	19 Mar. 2024	25 Jun. 2024	COSCO SHIPPING Technology Co., Ltd.
4	202411344280.8	Intelligent Supplier Recommendation Method and System for the Shipping Industry	Invention Patent	24 Sep. 2024	3 Jan. 2025	COSCO SHIPPING Technology Co., Ltd.
5	202411463879.3	A Method and System for the Full-process Processing of Marine Equipment Orders	Invention Patent	18 Oct. 2024	14 Feb. 2025	COSCO SHIPPING Technology Co., Ltd.

Note: Patent application rights Nos. 1, 2, and 3 received patent application acceptance notices in September 2024, January 2025, and March 2024, respectively, and are currently in the application phase. Patent application rights Nos. 4 and 5 received substantive examination notices in 2025 and are currently in the substantive examination phase.

Patent Application Right No.1. The system comprises a user input module, an automatic processing module, an automatic processing list display module, a data collection module, and a data processing module. The shipowner enters inquiry requirements into the input module, which are sent to the automatic processing module to generate an initial inquiry. Simultaneously, the data collection module automatically gathers and synchronizes marine equipment inquiry data, while the data processing module processes the data to generate an automated processing list. The automatic processing module reads the automatic processing list from the data processing module,

matches the key fields of the generated initial inquiry information with the automatic processing list and automatically generates price enquiry orders for successful matches, which are then submitted for approval.

The marine equipment inquiry data of the system comprises historical inquiry orders and snapshot data. Inquiry orders include the key fields of the initial inquiry information and the corresponding supplier information for the marine equipment; snapshot data includes pre-inquiry snapshot data and post-inquiry snapshot data. Specifically, the pre-inquiry snapshot information is the initial inquiry information, while the post-inquiry snapshot information constitutes the inquiry order.

Patent Application Right No.2. The patent involves methods including obtaining parameter data from different monitoring points of critical equipment on intelligent vessels, setting parameter data access permissions and storing such parameter data, analyzing trends in parameter changes at each monitoring point, and identifying equipment faults and abnormalities based on abnormal combinations of monitoring critical parameter data. This method addresses the limitation of relying solely on the parameter abnormality at individual monitoring points such that it is unable to determine whether the critical equipment is abnormal, enabling diagnosis and prediction of the equipment abnormalities and faults of critical equipment on intelligent vessels during vessel operation. The method further provides decision-making guidance based on the diagnosis and prediction results, which can be sent to the vessel to enhance safety and operational reliability.

Patent Application Right No.3. The application of this patent is implemented through the following steps: first, constructing a customizable SAAS-based intelligent workbench; then, integrating meta-applications on the workbench by configuring interface addresses, customizing input and output parameters, and defining application verification methods. A rule engine is then configured for the integrated meta-applications to facilitate data collection across different applications. This invention patent provides a customized, secure, and controllable SAAS-based intelligent workbench. After users securely access authentication, users can integrate meta-applications without writing code, thus promoting the digital transformation and intelligent development of shipping enterprises.

Patent Application Right No.4. The method primarily utilizes data collection technology to gather historical and real-time business document, cleans the data to extract features, converts them into feature vectors, understandable by the model and separately constructs ordering frequency models and inquiry frequency models. Utilizing a Top K recommendation algorithm combined with business weights, the system calculates recommendation scores based on the outputs of the ordering frequency models and inquiry frequency models to comprehensively recommend a suppliers that meet the requirements. The method and system supplied by this invention patent can accurately

recommend suppliers according to industry characteristics and user needs, offering data support and references to help users make wiser decisions, enhance business efficiency, and reduce operational risks.

Patent Application Right No.5. This invention patent establishes a data model for full-process marine equipment order processing by defining business process codes and assigning corresponding sequence numbers. Based on these sequence numbers, standardized interfaces are developed to enable automated collection and synchronization of ship equipment order data across different business systems through APIs. Then, the system further integrates logistics provider information from external systems to obtain detailed logistics data of marine equipment orders, which is displayed through a map component. By visualizing the full-process order in the form of a timeline, the invention enables users to intuitively track the entire order process, thereby enhancing user experience.

2. *Software Copyright*

No.	Registration No.	Software Name	Registration Date	Copyright Owner
1	2023SR1343921	No-code Integration Platform for Shipping Digital Meta-applications [Meta-application Integration Platform] V1.0	31 Oct.2023	COSCO SHIPPING Technology Co., Ltd.
2	2023SR1344267	Portal System for Digital Intelligent Marine Service Platform [Portal System] V1.0	31 Oct.2023	COSCO SHIPPING Technology Co., Ltd.
3	2024SR1177022	Supplier Admission System for Shipping Digital Service Platform [Supplier Admission System]	13 Aug.2024	COSCO SHIPPING Technology Co., Ltd.

The basic framework of the SMART SAILING Platform consists of three parts: the operation terminal, the portal terminal, and the supplier terminal. Based on development experience, the R&D team abstracted these components into three software copyrights, which largely represent the fundamental functions of the SMART SAILING Platform and constitute the foundation of the SMART SAILING Platform asset package.

3. *Trademark*

No.	Application Date	Trademark	Registration No.	International Class	Trademark Status	Registration Announcement Date	Expiry Date
1	23 Feb.2023		69761747	9	Registered	14 Aug. 2023	13 Aug. 2033
2	23 Feb.2023		69753641	35	Registered	14 Aug. 2023	13 Aug. 2033
3	23 Feb.2023		69752256	36	Registered	14 Aug. 2023	13 Aug. 2033

No.	Application Date	Trademark	Registration No.	International Class	Trademark Status	Registration Announcement Date	Expiry Date
4	23 Feb.2023		69769093	42	Registered	14 Aug. 2023	13 Aug. 2033
5	23 Feb.2023	SMARTSAILING	69769043	9	Registered	14 Oct. 2023	13 Oct. 2033
6	23 Feb.2023	SMARTSAILING	69757864	35	Registered	14 Oct. 2023	13 Oct. 2033
7	23 Feb.2023	SMARTSAILING	69761779	36	Registered	14 Oct. 2023	13 Oct. 2033
8	23 Feb.2023	SMARTSAILING	69769082	42	Registered	14 Oct. 2023	13 Oct.2033
9	8 Mar.2023		70049758	42	Registered	14 Nov. 2023	13 Nov. 2033
10	23 Feb.2023		69769417	9	Registered	21 Oct. 2023	20 Oct. 2033
11	23 Feb.2023		69769627	35	Registered	7 Dec. 2023	6 Dec. 2033

4. *Domain name*

No.	Domain Name	Registration Date	Expiry Date	Network Type	Registered Holder
1	smartsailing.com			Intranet	COSCO SHIPPING Technology Co., Ltd.
2	www.smartsailing.cn	23 Sep. 2022	23 Sep. 2027	Extranet	COSCO SHIPPING Technology Co., Ltd.
3	www.smartsailing.com	13 Sep. 2003	13 Sep. 2027	Extranet	COSCO SHIPPING Technology Co., Ltd.

5. *Platform source codes*

No.	Terminal	Source Code Inclusion	Lines of Code	Functional Description
1	Portal Terminal	Yes	2895690	The platform portal terminal is designed for shipowners and ship management parties, providing the capability for customized orchestration of digital intelligent applications and solutions. It supports customers in autonomously and rapidly orchestrating solutions through a no-code integration mechanism. After onboarding, customers can conduct spare parts procurement as needed, with functions supporting inquiry, price comparison, and purchase order management.

No.	Terminal	Source Code Inclusion	Lines of Code	Functional Description
2	Supplier Terminal	Yes	374990	It provides an operation portal for suppliers, supporting self-registration and application for platform onboarding. It also enables suppliers to undertake spare parts procurement inquiries from shipowners, providing quotations and subsequent order management functions.
3	Operation Terminal	Yes	3055989	(1) Platform operation and management functions: customized workbenches; "Solution Generator" for application and pre-set solution publishing, supporting customized orchestration of digital intelligent applications and solutions; functions for supplier or boarding review, information lookup, and merchant user management; functions for customer onboarding review, corporate information lookup, and vessel audit; management of user feedback, notifications, and documentation assistance; data visualization through data dashboards and reports; and organizational structure management (companies, users, roles, etc). (2) Yuantong Spare Parts Procurement Support: Integrates full-process data between upstream (SSMP) and downstream (Yuantong ERP), covering full life cycle management from demand forecasting to inventory management. Combined with AI technology, it achieves online and intelligent operations throughout the process.

No.	Terminal	Source Code Inclusion	Lines of Code	Functional Description
				(3) Overseas Fuel Procurement (Singapore): Implements full-process management for foreign trade fuel procurement from inquiry and quotation to orders and AR invoices. It integrates with iBMS financial processes to achieve automated SRM filing and "Sunshine Procurement" reporting.
				(4) EU Allowance (EUA) Carbon Tax Business: Basic system functions for the EUA procurement business process.
				(5) Intelligent agent-related source code: Includes email parsing, equipment drawing parsing and intelligent logistics recommendation.
4	WeChat Service (Account)	No	/	/
5	WeChat Mini Program	Yes	21178	(1) User login: supports dual-mode login via operation terminal account/password and WeChat authorisation;
				(2) Fuel services: intelligent recognition of shipowners' price inquiry content, supporting price inquiry order creation, email dispatch and price inquiry data queries;
				(3) Spare parts services: supports order information queries, logistics information display, and business to-do and approval functions;
				(4) Message management: message viewing and management functions.

No.	Terminal	Source Code Inclusion	Lines of Code	Functional Description
6	Market place	Yes	1799261	(1) Marketplace frontend: homepage, product listing, product details and purchasing workflow; (2) User centre: customer registration, shopping cart and order management; (3) Supplier backend: supplier onboarding, store setup, product listing and order management; (4) Platform management backend: marketplace configuration, category setup and basic information configuration; (5) Marketplace H5 display: mobile application interface.

6. ***Other data assets***

The other data assets include design documents, development documents, testing documents, operation & maintenance documents and user documents.

The aforementioned patent application rights, software copyrights, trademarks, domain names, platform source codes, and other data assets are all derived from the practical applications of the SMART SAILING Platform across its portal terminal, operational terminal, and supplier terminal. Such assets were developed and formed by COSCO SHIPPING Technology Co., Ltd. through in-depth research into the SMART SAILING Platform and based on practical experience and knowledge, and they collectively constitute the SMART SAILING Platform asset package.

(4) Types, quantities, and book values of assets involved in referencing conclusions from reports issued by other institutions

This asset valuation report does not adopt or reference conclusions from reports issued by other institutions.

III. VALUE TYPE AND DEFINITION

Considering that the purpose of this valuation, capital contribution at an appraised value, and given that there are no special restrictions or requirements on market conditions or the use of the valuation subject, the value type for this valuation subject has been determined as market value, based on factors such as the valuation purpose, market conditions, and the characteristics of the valuation subject.

Market value refers to the estimated amount at which the valuation subject would exchange on the Valuation Reference Date between a willing buyer and a willing seller in an arm's length transaction, both acting rationally, prudently, and without compulsion.

An "arm's length transaction" refers to a transaction between parties without specific or special relationships, i.e., it assumes a transaction between unrelated and independent parties.

IV. VALUATION REFERENCE DATE

The Valuation Reference Date of this asset valuation is 31 July 2025.

The Valuation Reference Date was determined after consultation between the appraisers and the clients of this valuation (namely, COSCO SHIPPING International (Hong Kong) Co., Ltd., COSCO SHIPPING Technology Co., Ltd. and COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd.), after comprehensive consideration of the requirements for implementing economic behaviour, the convenience of provision of information at the end of an accounting period, and the fluctuations in interest rates and exchange rates around the Valuation Reference Date.

V. VALUATION BASES

The valuation was conducted based on the following bases:

(1) Bases of the Economic Behaviour

1. Notice Regarding Capital Increase in COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd. from COSCO SHIPPING Technology Co., Ltd. (COSCO SHIPPING Technology [2025] No.26);
2. Approval in respect of Capital Increase in COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd. by COSCO SHIPPING Technology Co., Ltd. (COSCO SHIPPING [2025] No.336)

(2) Legal and Regulatory Bases

1. Asset Appraisal Law of the People's Republic of China (adopted at the 21st meeting of the Standing Committee of the 12th National People's Congress on July 2, 2016);
2. Securities Law of the People's Republic of China (revised at the 15th meeting of the Standing Committee of the 13th National People's Congress on December 28, 2019);
3. Measures for the Financial Supervision and Administration of the Asset Valuation Industry (issued by Order No. 86 of the Ministry of Finance, amended by Order No. 97 of the Ministry of Finance);
4. Law of the People's Republic of China on the State-owned Assets of Enterprises (adopted at the 5th meeting of the Standing Committee of the 11th National People's Congress on October 28, 2008);

5. Interim Regulations on the Supervision and Administration of State-owned Assets of Enterprises (Order No. 378 of the State Council, revised by Order No. 709 of the State Council);
6. Administrative Measures for the Assessment of State-owned Assets (Order No. 91 of the State Council, revised by Order No. 732 of the State Council in 2020);
7. Notice on Issuing the "Detailed Rules for the Implementation of the Administrative Measures for the Appraisal of State-owned Assets" (No. 36 of the State-Owned Assets Office [1992]);
8. Interim Measures for the Administration of the Assessment of State-owned Assets of Enterprises (Order No. 12 of the SASAC);
9. Notice on Issues Concerning the Strengthening of the Administration of the Assessment of State-owned Assets of Enterprises (Property Rights [2006] No. 274 of the SASAC);
10. Notice on Matters Concerning the Review of Asset Valuation Reports on State-owned Assets of Enterprises (State Property Rights [2009] No. 941);
11. Guidelines for the Filing of Asset Valuation Projects of State-owned Assets of Enterprises (Property Rights [2013] No. 64 issued by the SASAC);
12. Trademark Law of the People's Republic of China (fourthly amendment adopted at the 10th meeting of the Standing Committee of the 13th National People's Congress on April 23, 2019);
13. Patent Law of the People's Republic of China (amended at the 22nd meeting of the Standing Committee of the 13th National People's Congress on October 17, 2020);
14. Copyright Law of the People's Republic of China (amended at the 23rd meeting of the Standing Committee of the 13th National People's Congress on November 11, 2020);
15. Enterprise Income Tax Law of the People's Republic of China (Secondly amended at the 7th meeting of the Standing Committee of the 13th National People's Congress on 29 December 2018);
16. The State Council's Decision on Abolishing the Provisional Regulations on Business Tax of the PRC and Amending the Provisional Regulations on Value-Added Tax of the PRC (State Council Order No. 691);
17. Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (Order No. 50 of the Ministry of Finance and the State Administration of Taxation, revised by Order No. 65 of the Ministry of Finance and the State Administration of Taxation in 2011);
18. Notice on Overall Implemention of the Pilot Program of Replacing Business Tax with Value-Added Tax (Circular of the Ministry of Finance and the State Taxation Administration [2016] No. 36);
19. Notice of the Ministry of Finance and State Taxation Administration on Adjusting Value-Added Tax Rates (Circular of the Ministry of Finance and the State Taxation Administration [2018] No. 32);

20. Announcement on Relevant Policies for Deepening Value-Added Tax Reform (Announcement No. 39 of 2019 by the Ministry of Finance, State Taxation Administration, and General Administration of Customs);
21. Civil Code of the People's Republic of China (Adopted on May 28, 2020, at the 3rd session of the 13th National People's Congress);
22. Other laws and regulations related to the valuation work.

(3) Bases of Valuation Standards

1. Basic Standards for Asset Appraisal (Circular of the Ministry of Finance on State-owned Assets and Funds Management [2017] No. 43);
2. Code of Ethics for Asset Valuation (Document of the CAS [2017] No. 30);
3. Practice Guidelines for Asset Appraisal — Engagement Contract (Document of the CAS [2017] No. 33);
4. Practice Standards for Asset Appraisal — Intangible Assets (Document of the CAS [2017] No. 37);
5. Practice Standards for Asset Appraisal — Valuation Report (Document of the CAS [2018] No. 35);
6. Practice Standards for Asset Appraisal — Valuation Procedures (Document of the CAS [2018] No. 36);
7. Practice Standards for Asset Appraisal — Valuation Files (Document of the CAS [2018] No. 37);
8. Practice Standards for Asset Appraisal — Valuation Methods (Document of the CAS [2019] No. 35);
9. Practice Standards for Asset Appraisal — Intellectual Property (Document of the CAS [2023] No. 14);
10. Guidelines for the Guidelines for State-owned Asset Valuation Reports (Document of the CAS [2017] No. 42);
11. Guidelines for Quality Control of Asset Valuation Institutions (Document of the CAS [2017] No. 46);
12. Guidance on Value Types in Asset Valuation (Document of the CAS [2017] No. 47);
13. Guidance on Legal Ownership of Valuation Subjects (Document of the CAS [2017] No. 48);
14. Guidelines on Patent Asset Valuation (Document of the CAS [2017] No. 49);
15. Guidelines on Copyright Asset Valuation (Document of the CAS [2017] No. 50);
16. Guidelines on Trademark Asset Valuation (Document of the CAS [2017] No. 51).

(4) Proof of Property Right Ownership

1. Trademark certificates;
2. Relevant patent application acceptance notices and substantive examination stage notifications;

3. Software copyright registration certificates;
4. Domain name certificates;
5. Relevant accounting vouchers, technical service contracts, etc.;
6. Other ownership certification documents.

(5) Pricing Bases

1. The latest loan prime rate (LPR) released by the National Interbank Funding Center;
2. Producer Price Index for Purchased Industrial Products published by the National Bureau of Statistics;
3. The average wage of employees in urban unit published by the Shanghai Municipal Human Resources and Social Security Bureau;
4. Detailed expenditure statements on platform asset package R&D expenses provided by the property rights holder;
5. Vouchers, receipts, bank slips, and other documents related to the patent application process provided by the property rights holder;
6. Capital market information from the iFinD Information System;
7. Target customer information provided by the property rights holder;
8. On-site inspection records of the appraisers and other relevant valuation information.

(6) Other Reference Materials

1. Relevant vouchers and asset valuation declaration forms provided by the property rights holder and related parties;
2. National macroeconomic, industry, regional market, and enterprise statistical analysis data;
3. Technical statistical data of Shanghai Dongzhou Asset Appraisal Co., Ltd.
4. Other relevant reference materials.

VI. VALUATION METHODS

(1) Overview of Valuation Methods

In accordance with the *Basic Standards for Asset Appraisal* and the *Practice Standards for Asset Appraised — Valuation Methods*, the valuation methods for determining the asset value include three basic approaches: the market approach, income approach, and cost approach, as well as their derivative methods.

The Market Approach, also known as the comparison approach or market comparison approach, is a term for valuation methods that determine value of a valuation subject by comparing it with comparables and using the market prices of the comparables as the basis.

The Income Approach is a term for various valuation methods that determine value of a valuation subject by capitalising or discounting the expected future income attributable to the valuation subject.

The Cost Approach is a term for valuation methods under which the value of the valuation subject is determined by reference to its reconstruction or replacement cost, less relevant depreciation, based on the assumption of reconstruction or replacement.

(2) Selection of Valuation Approaches

Based on the characteristics of the assets included in the valuation scope and the valuation purpose, the valuation methods were selected as follows:

According to the *Practice Standards for Asset Appraisal — Intangible Assets*, the valuation methods for intangible assets include the market approach, income approach and cost approach, as well as their derived methods. After fully understanding the valuation subject and the availability of relevant information, and analysing the applicability of the three approaches, appropriate valuation methods were selected.

a) Cost Approach: The cost approach determines the market value of the intangible assets based on all inputs incurred in the formation of the intangible assets by considering the correlation between the value of the intangible assets and their costs. The market value of the appraised intangible assets is obtained through determining the replacement cost after calculating reasonable cost, profit and related tax and after adjusting for depreciation factors.

b) Income Approach: Based on relevant information of the intangible asset of the valuation subject, the expected earnings generated by the intangible assets or comparable intangible assets are estimated with reference to historical performance and future application prospects, combined with the operating conditions of the enterprise implementing or proposing to implement the intangible assets. The market value of the appraised intangible assets is then determined by discounting the expected earnings using a discount rate consistent with the caliber of the expected earnings.

   When the income approach is applied to the valuation of technical intangible assets, specific valuation methods may include the Profit Split Method, the Multi-period Excess Earnings Method (MEEM), the Relief from Royalty Method, and the Incremental Income Method.

c) Market Approach: A method of determining the value of an intangible asset based on the adjusted market prices of similar intangible assets. Its application requires sufficiently developed, fair and active open market with sufficient market data and comparable transaction cases available in the open market.

1. *Reason for Not Selecting the Market Approach*

After fully understanding of the intangible assets, there is no active market or comparable transactions for similar intangible assets exist for the platform asset package; therefore, the market approach is not applicable.

2. *Reasons for Selecting the Cost Approach*

The assets under valuation, namely the SMART SAILING Platform asset package, were independently developed by the property rights holder, who provided detailed records of direct and indirect R&D costs, with the corresponding vouchers, receipts, and bank slips. The costs are reliably measurable; therefore, the cost approach was adopted for this valuation.

3. *Reason for Not Selecting the Income Approach for the Conclusion*

Although the SMART SAILING Platform asset package is expected to generate favorable future performance, considering that the platform has been launched for a relatively short period and has not generated effective earnings as of the Valuation Reference Date, there remains uncertainty regarding the timing of the realization of projected earnings.

(3) Introduction to the Cost Approach

The intangible assets under valuation consist of the SMART SAILING Platform asset package. Based on the total R&D investment for the intangible assets and considering the correlation between their value and costs, the appraised value of the intangible assets is determined by calculating the reasonable costs, profits, and the depreciation rate.

1. *Patent application rights*

The patent application rights were developed during the R&D process of the SMART SAILING Platform. They were refined by R&D personnel based on accumulated practical experience and technical expertise, and constitute an integral part of the SMART SAILING Platform asset package. Valuing these rights contributes to a more accurate determination of the overall value of the SMART SAILING Platform asset package.

As the actual statutory fees incurred during patent registration are available and the corresponding invoices and contracts have been verified, the cost approach is adopted. The replacement cost is determined based on the agency fees, official fees, and priority examination agency fees incurred during registration, incorporating in appropriate capital costs and reasonable profit and then the appraised value is determined.

The calculation formula is as follows:

Appraised Value = Full Replacement Cost × (1 – Depreciation Rate)

a) *Determination of Full Replacement Cost*

Full Replacement Cost = Replacement Cost + Capital Cost + Reasonable Profit

The replacement cost of the patent application rights is determined based on the agency fees, official fees, priority examination agency fees, and other related expenses from the date of registration to the Valuation Reference Date provided by the enterprise;

The capital cost is calculated based on the replacement cost of the patent application rights, considering the latest loan prime rate (LPR) released by the National Interbank Funding Center;

As the SMART SAILING Platform asset package under valuation has completed its research and development and is currently in operation, the reasonable profit is determined with reference to the replacement cost and capital cost. The cost-profit margin is based on the three-year average of the application software in the same industry, as queried through the iFinD information system.

b) *Determination of Depreciation Rate*

The depreciation rate is generally determined based on the remaining economic useful life or the statutory protection period of the asset.

2. *Software copyright*

The three software copyrights — namely, the Portal System for Digital Intelligent Marine Service Platform, the Supplier Admission System for Shipping Digital Service Platform, and the No-code Integration Platform for Shipping Digital Meta-applications-correspond to the three core components of the SMART SAILING Platform asset package: the portal terminal, the supplier terminal, and the operation terminal, respectively. These three software systems jointly maintain the daily operation of the SMART SAILING Platform. Accordingly, the value of the SMART SAILING Platform asset package is primarily reflected in these three software copyrights.

The R&D expenditures incurred by the enterprise for the SMART SAILING Platform asset package over the years constitute the direct costs of the project, comprising labor costs and outsourcing costs for development of the Platform, which, together with allocated indirect costs, form the historical cost of the three software copyrights.

As to the software copyright, the replacement cost is determined based on the annual expenditures incurred for the SMART SAILING Platform asset package, incorporating appropriate capital costs and reasonable profit to derive the appraised value.

The calculation formula is as follows:

Appraised Value = Full Replacement Cost × (1 – Depreciation Rate)

a) *Determination of Full Replacement Cost*

Full Replacement Cost = Replacement Cost + Capital Cost + Reasonable Profit

Given that the historical costs of the software copyrights consist primarily of personnel expenses, and taking into account the significant wage growth in Shanghai, the wage growth is considered and the replacement cost is determined by multiplying the actual annual R&D expenditures for the SMART SAILING Platform asset package with the actual wage growth rate.

The capital cost is calculated based on the replacement cost of the software copyrights, considering the latest loan prime rate (LPR) released by the National Interbank Funding Center;

As the SMART SAILING Platform asset package under valuation has completed its research and development and is currently in operation, the reasonable profit is determined with reference to the replacement cost and capital cost. The cost-profit margin is based on the three-year average of the application software in the same industry, as queried through the iFinD information system.

b) *Determination of Depreciation Rate*

Since the initial R&D of the SMART SAILING Platform asset package has been completed while additional modules are still under development, no depreciation is applied in this valuation.

3. *Trademarks*

The relevant registered trademarks derived from the R&D process of the SMART SAILING Platform are appraised using the cost approach. The value is determined based on the costs required to reconstruct the assessed trademarks under current conditions, which primarily comprise design costs and registration handling fees.

4. ***Domain name***

After analysis, it is difficult to reasonably distinguish the role and estimate the expected earnings of the domain name in future operations. Furthermore, there is no active market for similar domain names. Therefore, the income approach and market approach are not applicable. Considering that documentation of the acquisition costs is available, the cost approach is adopted, with the valuation based on the initial registration fee and the annual renewal fees.

5. ***Platform source code, other data assets***

As the platform source code and other data assets form the foundation of the software copyrights, they are evaluated together with the software copyrights for the purpose of this valuation.

VII. IMPLEMENTATION OF VALUATION PROCEDURES

We have implemented the valuation procedures for this project in accordance with the China Asset Appraisal Standards and relevant national principles and regulations on asset valuation. The entire valuation process is primarily divided into the following four stages:

(1) Valuation Preparation Stage

1. Upon accepting the engagement, we conducted consultations with the clients to reach a consensus on the valuation purpose, the Valuation Reference Date, and the scope of valuation subject. Subsequently, we entered into a business engagement contract and formulated a comprehensive asset valuation plan for the project.

2. We coordinated with the enterprise on asset clearing and verification, provided guidance and support during the asset declaration process, and facilitated the preparation of all documents and materials required for the valuation.

(2) On-site Valuation Stage

In accordance with the overall project timeline, the on-site valuation and investigation were conducted from 11 August 2025 to 15 August 2025. Upon selecting the appropriate valuation methodologies, we performed the following on-site valuation and verification procedures on the assets within the valuation scope and the relevant material declared by the enterprise:

1. Conducted interviews with relevant personnel of the property rights holder to understand the project background, historical and current status of assets, the formation process of intangible assets, R&D status, current usage conditions, and market conditions of corresponding products.

2. Reviewing and collecting legal documents, validity documents of ownership, and other supporting materials for the intangible assets. Verified the ownership materials provided by the property rights holder to ensure that the ownership is clear and free of disputes.

3. Investigated the characteristics, asset composition, and usage conditions of the intangible assets; the geographical and industrial scope of their implementation; and their earning capacity and revenue models. Assessed their ability to continue functioning and generating economic benefits. Reviewed the statutory protection period, economic life, and protective measures of the intangible assets.

4. Investigated legal, administrative regulations, or other restrictions on the implementation of the intangible assets; historical valuations, past transactions, and R&D costs; and researched price information for similar intangible asset transactions.

5. Conducted research on the products and industry status applicable to the technologies under valuation, and understand the competitive landscape, including competitors' pricing, technical features, differentiation, and product life cycles. Investigated the production capacity of the implementing enterprise.

6. Based on the actual conditions and characteristics of the assets within the scope of valuation, we analyzed and formulated specific valuation methods.

(3) Aggregation of Valuation Results Stage

We performed the necessary analysis, induction, and collation of the valuation data collected during the on-site valuation investigation stage to establish a basis for the valuation. Utilizing the selected valuation methodologies, we adopted rigorous calculation formulas and reasonable valuation parameters to derive the preliminary results and valuation conclusions, followed by a comprehensive and reasonable assessment conclusions.

(4) Report Preparation and Submission Stage

On the basis of the aforementioned work, we formulated the preliminary asset valuation report and exchanged views with the clients regarding its contents. After fully considering the feedback received, we further revised and refined the report. Subsequent to the completion of our internal quality control and review procedures, the formal asset valuation report was officially submitted to the clients.

VIII.VALUATION ASSUMPTIONS

In this valuation, the appraiser has followed the following assumptions and limitations:

(1) Basic Assumptions

1. *Transaction Assumption*

The transaction assumption presumes that all assets under valuation are already in the process of being transacted. The appraiser conducts valuation by simulating a market based on the transaction conditions of the assets. The transaction assumption is one of the most fundamental premises for conducting an asset valuation.

2. *Open Market Assumption*

The open market assumption is an assumption about the market conditions the assets are intended to enter and the impact they will receive under such conditions. An open market refers to a fully developed and well-functioning market environment, namely a competitive market with willing buyers and willing sellers, in which both parties are in an equal position, have sufficient opportunity and time to obtain adequate market information, and conduct transactions voluntarily, rationally, and without compulsion or restriction. The open market assumption is based on the premise that the assets are capable of being openly traded in the market.

3. *Assumption of Continued Use for Existing Purposes*

Assumption of continued use for existing purposes assumes that the assets will continue to be utilized for their current functions. Under this assumption, it is first assumed that the assets within the valuation scope are in a state of use; and secondly, it is assumed that they will continue to be utilized in their current manner and for their current purposes, without taking into account any conversion of use or the highest and best use (HBU) conditions.

(2) General assumptions

1. It is assumed that, subsequent to the Valuation Reference Date, there will be no unforeseeable material adverse changes in the prevailing national laws, macroeconomic environment, financial conditions, or industrial policies; nor will there be any significant impact arising from force majeure or other unforeseeable factors.

2. This valuation does not take into account the potential impact on the valuation conclusion arising from any mortgages, pledges, guarantees, or other encumbrances that the property rights holder or its assets may undertake, nor does it consider any additional consideration that may be incurred due to special transaction arrangements.

3. It is assumed that there will be no significant changes in the socio-economic environment applicable to the property rights holder and the transferee of the intangible assets, and that fiscal and tax policies (including tax categories and tax rates), as well as financial policies such as credit policies, interest rates and exchange rates, will remain fundamentally stable.

4. All assets in this valuation are based on the actual inventory as at the Valuation Reference Date, and the current market prices of the relevant assets are based on the effective prices at the location of the valuation subjects on the Valuation Reference Date.

IX. VALUATION PROCESS UNDER THE COST APPROACH

(1) Valuation of Patent Application Rights, Software Copyrights, Platform Source Codes and Other Data Assets (Cost Approach)

The patent application rights under valuation were derived from the R&D process of the SMART SAILING Platform. These rights represent the refinement of the practical experience and expertise accumulated by the R&D personnel and constitute an integral part of the SMART SAILING Platform asset package.

The SMART SAILING Platform asset package primarily involves three core terminals: the operation terminal, the portal terminal, and the supplier terminal, which together laid the foundation for the SMART SAILING Platform. Based on their accumulated experience and knowledge, the R&D personnel have, in the course of research and development, formed 3 software copyrights and 6 sets of platform source code, all derived from the three terminals. Consequently, a substantial portion of the value of the SMART SAILING Platform asset package is reflected by the 3 software copyrights and the patent application rights. As the 6 sets of platform source code and other data assets serve as the underlying foundation of the software copyrights, they are valued collectively as an integrated asset bundle.

The R&D expenditures incurred by the enterprise for the SMART SAILING Platform asset package over the years constitute the direct costs of the project, comprising labor costs, outsourcing costs, and other related expenses. Together with the allocated indirect costs, they form the historical cost of the software copyrights, platform source code, and other data assets. Regarding the derived patent application rights, their historical cost is determined based on the actual expenses during the patent registration process, including agency fees, official fees, and priority examination agency fees.

For the replacement cost, the annual direct and allocated indirect costs invested in the SMART SAILING Platform asset package are verified and defined. Based on the adjusted historical expenditures, the replacement cost is determined, and the final appraised value is derived by incorporating appropriate capital costs and a reasonable profit.

1. ***Determination of the Replacement Cost of Patent Application Rights***

The replacement cost primarily comprises the registration fees and relevant annual maintenance fees for the patent application rights. In this valuation, the replacement cost of the patent application rights is determined by adjusting the historical expenditures — including agency fees, official fees, and priority examination agency fees incurred from the date of registration to the Valuation Reference Date — based on the Producer Purchase Price Index (PPPI).

The Producer Purchase Price Index (PPPI) for each relevant year is as follows:

The Producer Purchase Price Index (PPPI)

Year	**Previous Year 100%**	**Valuation Reference Date 100%**
2021	111.00%	102.82%
2022	106.10%	109.09%
2023	96.40%	105.16%
2024	97.80%	102.85%
Jan–Jul 2025	97.23%	100.00%

The historical costs and replacement costs of the patent application rights are as follows:

Unit: RMB

Year	**Historical Cost**	**Replacement Cost**
2024	59,800.00	58,144.68
2025	13,450.00	13,450.00
Total	**73,250.00**	**71,594.68**

Such historical cost is compiled based on the actual costs incurred by COSCO SHIPPING Technology Co., Ltd., namely, agency fees, official fees, and priority review agency fees incurred from the registration date to the Valuation Reference Date, and such costs are organized by year.

For instance, in 2024, the historical cost in 2024 was RMB59,800.00. Adjusted according to the Producer Purchase Price Index, the replacement cost = historical cost ÷ 2024 index compared to the Valuation Reference Date = RMB59,800.00 ÷ 102.85% = RMB58,144.68.

2. ***Determination of the Replacement Cost of Software Copyrights, Platform Source Codes and Other Data Assets***

The historical direct and allocated indirect costs incurred by the company are summarized as follows:

Unit: RMB

Year	R&D Expenditure	Allocated Indirect Expenses	Total Direct and Indirect Costs
2022	10,188,061.01	1,296,099.73	11,484,160.74
2023	14,354,258.91	2,201,443.49	16,555,702.40
2024	10,553,842.40	1,628,571.11	12,182,413.51
2025	92,452.83	9,450.00	101,902.83
Total	**35,188,615.15**		**40,324,179.49**

The R&D expenses and indirect costs allocated from 2022 to 2025 were collected and reported by COSCO SHIPPING Technology Co., Ltd. based on the details of the historical years.

Based on the historical costs incurred in each year, adjustments were made by reference to the actual growth rate of the average wage of urban unit employees (full-scope) as published by the Shanghai Municipal Human Resources and Social Security Bureau, in order to determine the replacement cost.

According to the data published by the Shanghai Municipal Human Resources and Social Security Bureau, the average wages of urban unit employees (full-scope) for each year are as follows:

Year	Average Annual Salary	Previous Year 100%	Valuation Reference Date 100%
2025		100%	
2024	149,208.00	101.03%	
2023	147,684.00	101.02%	101%
2022	146,196.00	106.90%	102%
2021	136,757.00	111.13%	109%

The replacement costs of the software copyrights, platform source codes and other data assets are as follows:

Unit: RMB

Year	Software Copyrights Historical Cost	Replacement Cost
2022	11,484,160.74	11,720,762.92
2023	16,555,702.40	16,726,546.17
2024	12,182,413.51	12,182,413.51
2025	101,902.83	101,902.83
Total	**40,324,179.49**	**40,731,625.43**

The historical cost of the software copyrights was primarily wages. Therefore, adjustments were made based on the actual growth rate of the average wage of all urban employees published by the Shanghai Municipal Human Resources and Social Security Bureau. For instance, in 2022, the historical cost = RMB11,484,160.74, replacement cost = historical cost x adjustment based on the 2022 index = RMB11,484,160.74 x 102% = RMB11,720,762.92.

Patent Application Rights RMB71,594.68 + software copyrights, platform source codes and other data assets RMB40,731,625.43 = total replacement cost RMB40,803,220.11.

The total replacement cost amounts to RMB40,803,220.11.

According to the summary reports provided by the company, the R&D cycle of the SMART SAILING Platform asset package is 25 months. Given that the 5 patent application rights, 3 software copyrights, 6 sets of platform source code, and other data assets were refined and derived from the platform, their respective R&D cycles are also determined to be 25 months, assuming that the R&D expenditures were incurred evenly.

Based on information obtained from the iFinD information system, the three-year average cost-plus profit margin for the application software in the industry is 26.00%.

Full Replacement Value = Replacement Cost + Capital Cost + Reasonable Profit
= RMB40,803,220.11 + RMB40,803,220.11 × 3.25% × 25/12/2 + (RMB40,803,220.11 + RMB40,803,220.11 × 3.25% × 25/12/2) × 26%
= RMB40,803,220.11 + RMB1,381,359.01 + RMB10,967,990.57
= RMB53,152,600.00 (rounded to the nearest hundred)

3. ***Determination of the Depreciation Rate***

In view of the fact that the preliminary R&D of the SMART SAILING Platform asset package has been completed and it will continue to undergo further development of new modules, no depreciation is considered in this valuation.

4. ***Valuation Results***

In summary, the aggregate appraised value of the 5 patent application rights, 3 software copyrights, 6 sets of platform source code, and other data assets is RMB53,152,600.00.

(2) Valuation of Trademarks (Cost Approach)

For the registered trademarks generated during the development of the SMART SAILING Platform asset package, the cost approach was adopted in this valuation. Under this approach, the value of the registered trademark is determined based on the cost required to recreate the registered trademark. In practice, such costs generally include measurable expenditures such as trademark design fees and registration fees.

Based on the trademark application agency invoices, trademark agency engagement agreements and other documents provided by the enterprise, the enterprise incurred registration fees, agency service fees and design fees in connection with the trademark registrations.

Example 1: Valuation Schedule Item No. 1
Registration No.: 69753641
Trademark Class: 35
Registration Date: 14 August 2023

Appraised Value of the Trademark = Trademark Registration Fees + Trademark Registration Agency Fees + Trademark Design Fees, etc.

1. *Registration Fees*

According to the trademark application agency engagement agreement, the trademark registration fee is RMB270 per item, with an additional registration fee of RMB27 per item for trademarks covering sub-classes.

2. *Trademark Agency Fees*

According to the trademark application agency engagement agreement, the trademark agency fee is RMB800 per item.

3. *Trademark Design Fees*

Based on the accounting records provided by the enterprise, a portion of the design material membership fees and promotional expenses incurred for the registration of the 11 trademarks amounted to RMB4,229.45 in total. In this valuation, the average amount was allocated to each trademark as the trademark design fee.

As the trademarks are classified into subclasses, the registration fee is RMB297 per item, with a VAT rate of 6%.

The appraised value of the trademark = RMB297.00/1.06 + RMB800.00/1.06 + RMB4,229.45/11

= RMB1,419.40 (exclusive of tax)

4. *Valuation Result*

Based on the above, the aggregate appraised value of the 11 trademarks is RMB15,400.00 (rounded to the nearest hundred).

(3) Valuation of Domain Names (Cost Approach)

As domain names serve merely as a set of server addresses for memory and communication and do not generate excess returns for the platform asset package, the cost approach is adopted for the valuation of domain names generated during the R&D of the SMART SAILING Platform asset package.

Domain name fees vary by suffix (such as .com, .cn, .net, etc. which are generally used in the PRC) and consist of initial registration fees and renewal fees. This valuation determines the appraised value of domain names based on the historical costs incurred by the enterprise in registering the domain names, that is, considering the initial registration fee and the renewal fees payable each year according to cost approach.

Example 1: Domain Name Item No. 3
Domain Name: smartsailing.com

Based on a review of the historical costs incurred by the enterprise, the domain name was acquired by the enterprise through registration in 2022, with total registration costs amounting to RMB67,640.00.

According to the domain renewal vouchers provided by the enterprise, the domain name was renewed for three years in 2024, extending its validity to 13 September 2027, with a renewal cost of RMB255.00.

The Appraised Value of the Domain Name=Initial registration cost + Renewal fee per year × Remaining days ÷ 365 days
= RMB67,640.00 + RMB255.00/3 × 774 days ÷ 365 days
= RMB67,820.25

Based on the above, the aggregate appraised value of the three domain names is RMB67,900.00 (rounded to the nearest hundred).

(4) Valuation Conclusion

RMB53,152,600.00 + RMB15,400.00 + RMB67,900.00 = RMB53,235,900.00

The SMART SAILING Platform asset package — which encompasses the SMART SAILING Platform and its derived patent application rights, software copyrights, trademarks, domain names, platform source code, and other data assets — was valued using the cost approach. The final appraised value of the SMART SAILING Platform asset package is determined to be RMB53,235,900.00. The primary reason for the valuation appreciation is that the subject intangible assets, SMART SAILING Platform asset package, were internally developed by the company, with the related R&D expenditures having been expensed as incurred and the assets carry a nil book value. Following this valuation, an appreciation in asset value was recognised.

The final appraised value of the SMART SAILING Platform also represents a premium of approximately 31.5% over the aggregated actual historical expenses of approximately RMB40.48 million incurred from 2022 to 2025.

X. ASSESSMENT CONCLUSION

In accordance with the relevant national asset valuation regulations, and based on the principles of independence, impartiality, and objectivity, having implemented the necessary valuation procedures, under the valuation purpose, assumptions, and limiting conditions described in this report, the market value of the assets included in the scope of valuation as at the Valuation Reference Date is concluded as follows:

Upon valuation, the appraised value of the assets included in the valuation scope is RMB53,235,900.00, excluding tax.

The valuation conclusion is derived based on the aforementioned valuation work.

(1) Relevant Valuation Results and Selection of Valuation Conclusion

1. ***Valuation Result under the Cost Approach***

The cost approach was adopted to value part of the assets included in the valuation scope. The valuation results as at the Valuation Reference Date are as follows:

As at the Valuation Reference Date, the carrying value of the intangible assets of the property rights holder was nil, the appraised value was RMB53,235,900, and the valuation appreciation was RMB53,235,900.

2. ***Selection of the Valuation Conclusion***

Under the cost approach, the costs incurred during the research and development process can be accurately verified and measured. Therefore, the valuation conclusion derived from the cost approach is selected as the final appraised value for the intangible assets in this valuation.

Upon valuation, the appraised value of the assets included in the valuation scope is RMB53,235,900.00 (exclusive of tax).

The valuation conclusion is derived from the aforementioned valuation work.

(2) Comparison Between Appraised Value and Book Value and Explanation Of Changes

The appreciation or depreciation of the assets within the valuation scope is analyzed below:

Summary of Valuation Results
Valuation Reference Date: 31 July 2025

Unit: RMB'0000

Item	Book Value	Appraised Value	Appreciation	Appreciation Rate %
	A	B	C=B–A	D=C/A×100%
Non-current Assets	0.00	5,323.59	5,323.59	
Intangible Assets	0.00	5,323.59	5,323.59	
Total Assets	0.00	5,323.59	5,323.59	

Intangible assets

The book value of intangible assets is nil, the appraised value is RMB53,235,900, and the valuation appreciation is RMB53,235,900. The primary reason is that the SMART SAILING Platform asset package under valuation was independently developed by the enterprise, and the relevant R&D costs have been expensed as incurred. The carrying value is nil, resulting in a valuation appreciation upon valuation.

(3) Validity Period of the Valuation Conclusion

In accordance with the prevailing appraisal standards, the valuation conclusion disclosed in this report is valid provided that there are no material changes to the valuation assumptions stated herein. Generally, the valuation conclusion may be used only when the date of implementation of the relevant economic activity is no more than one year from the Valuation Reference Date. Accordingly, the validity period of the valuation conclusion is from 31 July 2025 to 30 July 2026.

The valuation conclusion shall not be used beyond the above validity period.

(4) Other Explanations Regarding the Valuation Conclusion

Within the validity period of the valuation conclusion subsequent to the Valuation Reference Date, if there are any changes in the quantity of assets or the pricing standards associated with the valuation subjects, the clients may handle such situations in accordance with the following principles:

1. Where there is a change in the quantity of assets, corresponding adjustments shall be made to the asset value based on the original valuation methodology;

2. Where there is a change in the asset pricing standards that significantly impacts the asset valuation results, the clients shall promptly engage a qualified asset appraisal institution to re-determine the appraised value;

3. The clients shall give full consideration to any changes in the quantity or pricing standards of the assets occurring after the Valuation Reference Date when implementing the relevant economic activity.

XI. SPECIAL MATTERS STATEMENT

Users of this valuation report when using the evaluation report should pay attention to the potential impact of the following special matters on the valuation conclusion and give full consideration to them when making independent decisions or implementing economic behaviour based on this report:

(1) Defects or Incompleteness in Material Information such as Ownership Documentation

Based on the materials provided by the clients, the asset appraiser has not found any obvious ownership defects. The clients and the property rights holder have also explicitly confirmed that there are no ownership defects.

(2) Other Key Information Not Provided by the Clients

None.

(3) Uncertainties such as Pending Matters and Legal Disputes Relating to the Assets under Valuation as at the Valuation Reference Date

The asset appraiser was not made aware of any pending matters, legal disputes, or other uncertainties relating to the assets under valuation as at the Valuation Reference Date. The clients and the property rights holder have also explicitly stated that no such uncertainties exist.

(4) Utilization of Expert Work and Related Reports

None.

(5) Material Subsequent Events of the Assets Under Valuation

Between the Valuation Reference Date and the date of issuance of this valuation report, the clients and the property rights holder have explicitly informed the valuer that no material subsequent events have occurred.

(6) Limitations on Valuation Procedures, Remedial Measures Adopted by the Valuer, and Impact on Valuation Conclusion

None.

(7) Nature and Amount of Guarantees, Pledges, etc. Concerning the Assets under Valuation and their Relationship with the Valuation Subject

The property rights holder did not report any such matters. Although the appraisers did not identify any such matters during their investigation, due to the inherent limitations of valuation procedures and the concealed nature of guarantees and contingent liabilities (assets), the appraisal institution cannot provide a definitive opinion on the existence of such matters.

(8) Defects in the Economic Activity Corresponding to This Valuation That May Have a Material Impact on the Valuation Conclusion

No defects that may have a material impact on the valuation conclusion were found in the economic activity corresponding to this asset valuation.

(9) Other Matters to be Stated

1. In this valuation report, any discrepancies between the total and the sum of the components in tables or text expressions (where the unit of amount is RMB'0,000) are due to rounding adjustments.

2. During this valuation of the assets within the scope of evaluation, we did not consider the impact of the increased value of certain assets on income tax.

3. This valuation report is solely for the purpose of the economic activity agreed upon in the contract and does not constitute investment advice or decision-making recommendations for other market investors regarding the subject matter.

Users of this report should pay close attention to the impact of the aforementioned special matters on the valuation conclusion when using this valuation report.

XII. VALUATION REPORT DATE

The Valuation Report Date refers to the date on which the valuation conclusion is formed. The date of this valuation report is 29 December 2025.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 the Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange were as follows:

Directors' interests in the long positions in the shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Nature of interest	Number of ordinary shares of associated corporation held as at the Latest Practicable Date	Approximate percentage of the relevant class of the total issued shares of associated corporation as at the Latest Practicable Date
Mr. Kwong Che Keung, Gordon	COSCO SHIPPING Ports Limited	Beneficial owner	Personal	250,000	0.0075%

Save as disclosed herein, as at the Latest Practicable Date:

(i) none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 the Director or chief executive of the Company was taken or deemed to have under such provisions of the

SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange;

(ii) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole;

(iii) none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to, or which were 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 consolidated financial statements of the Group were made up; and

(iv) Mr. Zhu Changyu, being a Director, is also a director and president of COSCO SHIPPING (Hong Kong). Mr. Ma Xianghui, being a Director, is also a director of COSCO SHIPPING (Hong Kong) and the general manager of Finance and Accounting Division of COSCO SHIPPING. Ms. Zhang Xueyan, being a Director, is also a deputy general manager of Capital Management & Operation Division of COSCO SHIPPING. Mr. Wang Yong, being a Director, is also a chief accountant of COSCO SHIPPING (Hong Kong). COSCO SHIPPING (Hong Kong) has and COSCO SHIPPING is deemed to have, an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract or a proposed service contract with any member of the Group which was not expiring or determinable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, Mr. Zhu Changyu, Mr. Ma Xianghui, Ms. Zhang Xueyan and Mr. Wang Yong, being Directors, held directorships or senior management positions in COSCO SHIPPING and/or its associates which had interests in shipping services business.

The Board is of the view that the Group is capable of carrying on its businesses independently of the interests referred to in the paragraph above. When making decisions on the shipping services business of the Group, the relevant Directors, in the performance of their duties as Directors, have acted and will continue to act in the best interest of the Group.

Other than as disclosed above, none of the Directors and their respective close associates had any interests in a business which competed or was likely to compete, whether directly or indirectly, with the businesses of the Group as at the Latest Practicable Date.

5. MATERIAL ADVERSE CHANGE

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

6. EXPERT

The followings are the qualifications of the experts who have given their opinion or advice which is contained in this circular:

Name	Qualification
中通誠資產評估有限公司 (China Tong Cheng Assets Appraisal Co., Ltd.*)	Independent valuer in the PRC
上海東洲資產評估有限公司 (Shanghai Dongzhou Assets Appraisal Co., Ltd.*)	Independent valuer in the PRC
Ballas Capital Limited	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

As at the Latest Practicable Date, each of China Tong Cheng, Shanghai Dongzhou and the Independent Financial Adviser:

(a) did not have any 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;

(b) did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2024, the date up to which the latest published audited consolidated financial statements of the Group were made up; and

(c) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of and references to its name and letter in the form and context in which they respectively appear.

The letter of advice given by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders was made on 13 February 2026 for incorporation in this circular.

The valuation reports in respect of the Joint Venture Valuation, the Yuantong Valuation and the SMART SAILING Platform Valuation were made on 31 December 2025, 31 December 2025, and 29 December 2025 respectively.

7. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

8. DOCUMENTS ON DISPLAY

Copy of the following documents will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at hk.coscoshipping.com for not less than 14 days from the date of this circular:

(a) the Capital Increase Agreement;

(b) the Letter from the Independent Board Committee, the full text of which is set out on page 25 of this circular;

(c) the Letter from the Independent Financial Adviser, the full text of which is set out on pages 26 to 60 of this circular;

(d) the summary of the valuation report of the Joint Venture Valuation, the full text of which summary is set out in Appendix I to this circular;

(e) the summary of the valuation report of the Yuantong Valuation, the full text of which summary is set out in Appendix II to this circular;

(f) the summary of the valuation report of the SMART SAILING Platform Valuation, the full text of which summary is set out in Appendix III to this circular; and

(g) the written consents referred to in the section headed "6. Expert" of this Appendix IV.

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)

NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting ("**SGM**") of COSCO SHIPPING International (Hong Kong) Co., Ltd. (the "**Company**") will be held on Thursday, 12 March 2026 at 10:00 a.m. at 47/F, COSCO Tower, 183 Queen's Road Central, Hong Kong or at any adjournment thereof for the purpose of considering and, if thought fit, to pass with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT** the Capital Increase Agreement as defined and described in the circular of the Company dated 13 February 2026 (the "**Circular**") (a copy of the Circular marked "A" together with a copy of the Capital Increase Agreement marked "B" being tabled before the meeting and initialed by the chairman of the meeting for identification purpose) and all transactions contemplated under the Capital Increase as defined in the Circular and in connection therewith and any other ancillary documents be and are hereby approved, confirmed and ratified and any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such other documents and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated under the Capital Increase."

By Order of the Board
COSCO SHIPPING International (Hong Kong) Co., Ltd.
Chiu Shui Suet
Company Secretary

Hong Kong, 13 February 2026

Notes:

1. The ordinary resolution to be considered at the SGM will be determined by poll. On voting by poll, each member shall have one vote for each fully paid or credited as fully paid share held in the Company.

2. A member of the Company who is entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares of the Company may appoint more than one proxy. A proxy need not be a member of the Company.

3. A form of proxy for use at the SGM is enclosed herewith. Whether or not a member of the Company intends to attend the SGM in person, he or she is urged to complete and return the form of proxy in accordance with the instruction printed thereon.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his or her attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

5. To be valid, the form of proxy in the prescribed form, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be returned to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting thereof (as the case maybe) and in default thereof the form of proxy shall not be treated as valid.

6. Shareholders whose names appear in the register of members of the Company as at the close of business on Friday, 6 March 2026 are entitled to attend and vote at the SGM. In order to be eligible to attend and vote at the SGM, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 6 March 2026.

7. Completion and return of form of proxy appointing a proxy shall not preclude a member of the Company from attending and voting in person at the SGM or on the poll concerned and in such event, the instrument appointing a proxy shall be deemed to be revoked.

8. Where there are joint holders of any share of the Company, any one of such joint holders may vote at the SGM, either personally or by proxy, in respect of such share as if he or she were solely entitled thereto, but if more than one of such joint holders is present at the SGM personally or by proxy, that one of the said joint holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

9. The Chinese version of the resolution set out in this notice is for reference only. If there is any inconsistency between the English and Chinese versions, the English version shall prevail.

10. As at the date of this notice, the board of directors of the Company 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*