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中遠海運發展股份有限公司
COSCO SHIPPING Development Co., Ltd.*

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

(Stock Code: 02866)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTIONS
ASSIGNMENT AND NOVATION AGREEMENTS
AND
(2) CONTINUING CONNECTED TRANSACTIONS
2026 VESSEL LEASING AGREEMENTS**

The Board is pleased to announce that the Group proposes to acquire ten bulk carriers under construction (the “**Target Vessels**”), comprising eight 211,000 DWT bulk carriers and two 64,000 DWT bulk carriers, through the Assignment and Novation Agreements. Immediately after delivery of the Target Vessels, the COSCO SHIPPING Bulk Group will charter-in the Target Vessels from the Group pursuant to the leasing arrangements.

ASSIGNMENT AND NOVATION AGREEMENTS

In this connection, on 21 May 2026:

- (i) Wai Fung Shipping Limited and Oriental Fleet SHIPPING 11 Limited, a wholly-owned subsidiary of the Company, entered into the Memorandum of Agreement I, pursuant to which Wai Fung Shipping Limited agrees to transfer and Oriental Fleet SHIPPING 11 Limited agrees to take over all rights, responsibilities and liabilities under the Existing Shipbuilding Contracts I in respect of eight 211,000 DWT bulk carriers under construction (the “**Target Vessels I**”);

- (ii) Marienvoy Shipping Limited and Oriental Fleet SHIPPING 12 Limited, a wholly-owned subsidiary of the Company, entered into the Memorandum of Agreement II, pursuant to which Marienvoy Shipping Limited agrees to transfer and Oriental Fleet SHIPPING 12 Limited agrees to take over all rights, responsibilities and liabilities under the Existing Shipbuilding Contracts II in respect of two 64,000 DWT bulk carriers under construction (the “**Target Vessels II**”);
- (iii) Wai Fung Shipping Limited, Oriental Fleet SHIPPING 11 Limited and Heavy Industry (Yangzhou), the seller, entered into the Deeds of Novation I in relation to the novation of the Existing Shipbuilding Contracts I in accordance with the Memorandum of Agreement I; and
- (iv) Marienvoy Shipping Limited, Oriental Fleet SHIPPING 12 Limited and Heavy Industry (Zhoushan), the seller, entered into the Deeds of Novation II in relation to the novation of the Existing Shipbuilding Contracts II in accordance with the Memorandum of Agreement II.

Total Acquisition Cost of the Target Vessels

The aggregate cost to be borne by Oriental Fleet SHIPPING 11 Limited in respect of the Target Vessels I under the Memorandum of Agreement I and the Deeds of Novation I is expected to comprise (i) approximately RMB1,387.3113 million payable to Wai Fung Shipping Limited under the Memorandum of Agreement I; and (ii) approximately US\$424.48 million payable to Heavy Industry (Yangzhou) under the Existing Shipbuilding Contracts I, representing the remaining shipbuilding instalments following the novation.

The aggregate cost to be borne by Oriental Fleet SHIPPING 12 Limited in respect of the Target Vessels II under the Memorandum of Agreement II and the Deeds of Novation II is expected to be approximately US\$71.1397 million, comprising (i) the consideration payable to Marienvoy Shipping Limited under the Memorandum of Agreement II; and (ii) the remaining amount payable to Heavy Industry (Zhoushan) under the Existing Shipbuilding Contracts II.

2026 VESSEL LEASING AGREEMENTS

On the same date, (i) Oriental Fleet SHIPPING 11 Limited, as owner/lessor, and Wai Fung Shipping Limited, as charterer/lessee, entered into the 2026 Vessel Leasing Agreement I, pursuant to which Oriental Fleet SHIPPING 11 Limited has agreed to provide vessel leasing services to Wai Fung Shipping Limited in relation to the Target Vessels I, being the eight 211,000 DWT bulk carriers to be acquired by Oriental Fleet SHIPPING 11 Limited under the Assignment and Novation Agreements, for a lease period of 240 months plus or minus 180 days commencing from the delivery date of each Target Vessel I; and (ii) Oriental Fleet SHIPPING 12 Limited, as owner/lessor, and Wai Fung Shipping Limited, as charterer/lessee, entered into the 2026 Vessel Leasing Agreement II, pursuant to which Oriental Fleet SHIPPING 12 Limited has agreed to provide vessel leasing services to Wai Fung Shipping Limited in relation to the Target Vessels II, being the two 64,000 DWT bulk carriers to be acquired by Oriental Fleet SHIPPING 12 Limited under the Assignment and Novation Agreements, for a lease period of 180 months plus or minus 90 days commencing from the delivery date of each Target Vessel II.

IMPLICATIONS UNDER THE LISTING RULES

Assignment and Novation Agreements

Pursuant to Rules 14.22 and 14A.81 of the Listing Rules, the transactions contemplated under the Assignment and Novation Agreements should be aggregated, as they are similar in nature and all involve the Group taking over the rights and obligations under the Existing Shipbuilding Contracts through the Assignment and Novation Agreements.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the transactions contemplated under the Assignment and Novation Agreements exceed 5% but are less than 25%, the transactions contemplated under the Assignment and Novation Agreements constitute discloseable transactions of the Company which are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, COSCO SHIPPING is an indirect controlling shareholder of the Company and therefore a connected person of the Company. Each of COSCO SHIPPING Bulk, Wai Fung Shipping Limited, Marienvoy Shipping Limited, Heavy Industry (Yangzhou) and Heavy Industry (Zhoushan) is a direct or indirect wholly-owned subsidiary of COSCO SHIPPING. Accordingly, COSCO SHIPPING Bulk, Wai Fung Shipping Limited, Marienvoy Shipping Limited, Heavy Industry (Yangzhou) and Heavy Industry (Zhoushan) are associates of COSCO SHIPPING and therefore connected persons of the Company.

Accordingly, the Assignment and Novation Agreements and the transactions contemplated thereunder constitute connected transactions of the Company which are subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2026 Vessel Leasing Agreements

As at the date of this announcement, Wai Fung Shipping Limited is an indirect wholly-owned subsidiary of COSCO SHIPPING, and therefore is a connected person of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the proposed Annual Caps in respect of the transactions contemplated under the 2026 Vessel Leasing Agreements exceed 0.1% but are all less than 5%, the transactions under the 2026 Vessel Leasing Agreements constitute continuing connected transactions of the Company which are subject to the reporting and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee (comprising all the independent non-executive Directors) will be formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Assignment and Novation Agreements and the transactions contemplated thereunder.

In this connection, an Independent Financial Adviser will be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Assignment and Novation Agreements and the transactions contemplated thereunder.

The AGM will be convened for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Assignment and Novation Agreements and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Assignment and Novation Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Assignment and Novation Agreements and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its recommendation in respect of the Assignment and Novation Agreements and the transactions contemplated thereunder; and (iv) a notice convening the AGM, is expected to be despatched to the Shareholders on or before 8 June 2026.

INTRODUCTION

The Board is pleased to announce that the Group proposes to acquire the Target Vessels, comprising eight 211,000 DWT bulk carriers and two 64,000 DWT bulk carriers, through the Assignment and Novation Agreements. Immediately after delivery of the Target Vessels, the COSCO SHIPPING Bulk Group will charter-in the Target Vessels from the Group pursuant to the leasing arrangements.

In this connection, on 21 May 2026:

- (i) Wai Fung Shipping Limited and Oriental Fleet SHIPPING 11 Limited entered into the Memorandum of Agreement I, pursuant to which Wai Fung Shipping Limited agrees to transfer and Oriental Fleet SHIPPING 11 Limited agrees to take over all rights, responsibilities and liabilities under the Existing Shipbuilding Contracts I in respect of eight 211,000 DWT bulk carriers under construction, i.e. the Target Vessels I;
- (ii) Marienvoy Shipping Limited and Oriental Fleet SHIPPING 12 Limited entered into the Memorandum of Agreement II, pursuant to which Marienvoy Shipping Limited agrees to transfer and Oriental Fleet SHIPPING 12 Limited agrees to take over all rights, responsibilities and liabilities under the Existing Shipbuilding Contracts II in respect of two 64,000 DWT bulk carriers under construction, i.e. the Target Vessels II;
- (iii) Wai Fung Shipping Limited, Oriental Fleet SHIPPING 11 Limited and Heavy Industry (Yangzhou) entered into the Deeds of Novation I in relation to the novation of the Existing Shipbuilding Contracts I in accordance with the Memorandum of Agreement I; and
- (iv) Marienvoy Shipping Limited, Oriental Fleet SHIPPING 12 Limited and Heavy Industry (Zhoushan) entered into the Deeds of Novation II in relation to the novation of the Existing Shipbuilding Contracts II in accordance with the Memorandum of Agreement II.

On the same date,

- (i) Oriental Fleet SHIPPING 11 Limited, as owner/lessor, and Wai Fung Shipping Limited, as charterer/lessee, entered into the 2026 Vessel Leasing Agreement I, pursuant to which Oriental Fleet SHIPPING 11 Limited has agreed to provide vessel leasing services to Wai Fung Shipping Limited in relation to the Target Vessels I, being the eight 211,000 DWT bulk carriers to be acquired by Oriental Fleet SHIPPING 11 Limited under the Assignment and Novation Agreements, for a lease period of 240 months plus or minus 180 days commencing from the delivery date of each Target Vessel I; and

- (ii) Oriental Fleet SHIPPING 12 Limited, as owner/lessor, and Wai Fung Shipping Limited, as charterer/lessee, entered into the 2026 Vessel Leasing Agreement II, pursuant to which Oriental Fleet SHIPPING 12 Limited has agreed to provide vessel leasing services to Wai Fung Shipping Limited in relation to the Target Vessels II, being the two 64,000 DWT bulk carriers to be acquired by Oriental Fleet SHIPPING 12 Limited under the Assignment and Novation Agreements, for a lease period of 180 months plus or minus 90 days commencing from the delivery date of each Target Vessel II.

ASSIGNMENT AND NOVATION AGREEMENTS

The principal terms of the Memorandum of Agreement I and the transactions contemplated thereunder are as follows:

Date: 21 May 2026

Parties: (1) Wai Fung Shipping Limited, as assignor; and
(2) Oriental Fleet SHIPPING 11 Limited, as assignee.

Subject matter: Pursuant to the Memorandum of Agreement I, Wai Fung Shipping Limited agrees to transfer and Oriental Fleet SHIPPING 11 Limited agrees to take over all rights, responsibilities and liabilities under the Existing Shipbuilding Contracts I in respect of the Target Vessels I, which are expected to be delivered by Heavy Industry (Yangzhou) from August 2027 to November 2028, subject to any agreed arrangements of delay in delivery.

Consideration: The consideration payable by Oriental Fleet SHIPPING 11 Limited under the Memorandum of Agreement I shall be approximately RMB1,387.3113 million in cash, exclusive of tax, which was determined after arm's length negotiations between the parties with reference to the appraised value of the Target Vessels I as at 31 December 2025.

The book value of the Target Vessels I was approximately RMB1,355.2899 million as at 31 December 2025. Based on the valuation report, the appraised value of the Target Vessels I was approximately RMB1,387.3113 million, representing an appreciation of approximately RMB32.0213 million, or approximately 2.36%, over its book value.

Following the novation, Oriental Fleet SHIPPING 11 Limited will also assume the obligation to pay any outstanding shipbuilding instalments, any adjustments to the contract price and related supervision costs in accordance with the relevant agreements.

Valuation: The appraised value of the Target Vessels I is set out in the valuation report (“**Valuation Report I**”) prepared by an independent valuer, China Tong Cheng Assets Appraisal Co., Ltd. (the “**Valuer**”). The appraised value represents the market value of the Target Vessels I as at the valuation benchmark date, i.e. 31 December 2025. The valuation was conducted using the cost approach.

The Valuation Report I will be included in the circular containing, among other things, further details of the Assignment and Novation Agreements and the transactions contemplated thereunder, which will be despatched to the Shareholders in due course. The Valuation Report I remains subject to filing approval by COSCO SHIPPING.

Source of funds: The consideration payable by Oriental Fleet SHIPPING 11 Limited under the Memorandum of Agreement I will be funded by the internal resources and external financing of the Group.

Payment: The consideration payable by Oriental Fleet SHIPPING 11 Limited under the Memorandum of Agreement I shall be paid in two instalments and remitted to the bank account designated by Wai Fung Shipping Limited. The first instalment, being approximately RMB892.8 million, shall be paid within seven Banking Days after the effective date of the Memorandum of Agreement I and receipt by Oriental Fleet SHIPPING 11 Limited of a written payment notice from Wai Fung Shipping Limited. The second instalment, being approximately RMB494.5113 million, shall be paid within seven Banking Days after Oriental Fleet SHIPPING 11 Limited receives the mid-year adjustment for the 2026 investment plan at the parent company level and a written payment notice from Wai Fung Shipping Limited.

Supervision and inspection: Oriental Fleet SHIPPING 11 Limited shall maintain at the shipyard of Heavy Industry (Yangzhou), at its own cost and expense, one or more representatives to supervise and survey the construction of the Target Vessels I.

Effectiveness: Unless otherwise agreed in writing between the parties, the Memorandum of Agreement I shall come into effect provided that all the conditions below are satisfied:

- (1) the authorized representative of Wai Fung Shipping Limited having signed the Memorandum of Agreement I;
- (2) the authorized representative of Oriental Fleet SHIPPING 11 Limited having signed the Memorandum of Agreement I;
- (3) the approval of the Memorandum of Agreement I and the transactions thereunder from the board of directors of COSCO SHIPPING Bulk, the parent company of Wai Fung Shipping Limited, having been obtained; and
- (4) the approval of the Memorandum of Agreement I and the transactions contemplated thereunder from the Independent Shareholders at a general meeting of the Company having been obtained.

The principal terms of the Memorandum of Agreement II and the transactions contemplated thereunder are as follows:

Date: 21 May 2026

Parties: (1) Marienvoy Shipping Limited, as assignor; and
(2) Oriental Fleet SHIPPING 12 Limited, as assignee.

Subject matter: Pursuant to the Memorandum of Agreement II, Marienvoy Shipping Limited agrees to transfer and Oriental Fleet SHIPPING 12 Limited agrees to take over all rights, responsibilities and liabilities under the Existing Shipbuilding Contracts II in respect of the Target Vessels II, which are expected to be delivered by Heavy Industry (Zhoushan) by July 2026 and August 2026, respectively, subject to any agreed arrangements of delay in delivery.

Consideration: The consideration payable by Oriental Fleet SHIPPING 12 Limited under the Memorandum of Agreement II shall be approximately US\$24.9897 million in cash, exclusive of tax, which was determined after arm's length negotiations between the parties with reference to the appraised value of the Target Vessels II as at 31 March 2026.

The book value of the Target Vessels II was approximately US\$24.8500 million as at 31 March 2026. Based on the valuation report, the appraised value of the Target Vessels II was approximately US\$24.9897 million, representing an appreciation of approximately US\$0.1397 million, or approximately 0.56%, over its book value.

Following the novation, Oriental Fleet SHIPPING 12 Limited will also assume the obligation to pay any outstanding shipbuilding instalments, any adjustments to the contract price and related supervision costs in accordance with the relevant agreements.

Valuation:

The appraised value of the Target Vessels II is set out in the valuation report (“**Valuation Report II**”) prepared by the Valuer. The appraised value represents the market value of the Target Vessels II as at the valuation benchmark date, i.e. 31 March 2026. The valuation was conducted using the cost approach.

The Valuation Report II will be included in the circular containing, among other things, further details of the Assignment and Novation Agreements and the transactions contemplated thereunder, which will be despatched to the Shareholders in due course. The Valuation Report II remains subject to filing approval by COSCO SHIPPING.

Source of funds:

The consideration payable by Oriental Fleet SHIPPING 12 Limited under the Memorandum of Agreement II will be funded by the internal resources and external financing of the Group.

Payment:

The consideration payable by Oriental Fleet SHIPPING 12 Limited under the Memorandum of Agreement II shall be paid and remitted to the bank account designated by Marienvoy Shipping Limited within seven business days after after Oriental Fleet SHIPPING 12 Limited receives the mid-year adjustment for the 2026 investment plan at the parent company level and a written payment notice from Marienvoy Shipping Limited.

Supervision and inspection:

Oriental Fleet SHIPPING 12 Limited shall maintain at the shipyard of Heavy Industry (Zhoushan), at its own cost and expense, one or more representatives to supervise and survey the construction of the Target Vessels II.

Effectiveness: Unless otherwise agreed in writing between the parties, the Memorandum of Agreement II shall come into effect provided that all the conditions below are satisfied:

- (1) the authorized representative of Marienvoy Shipping Limited having signed the Memorandum of Agreement II;
- (2) the authorized representative of Oriental Fleet SHIPPING 12 Limited having signed the Memorandum of Agreement II;
- (3) the approval of the Memorandum of Agreement II and the transactions thereunder by the board of directors of COSCO SHIPPING Bulk, the parent company of Marienvoy Shipping Limited, having been obtained; and
- (4) the approval of the Memorandum of Agreement II and the transactions contemplated thereunder from the Independent Shareholders at a general meeting of the Company having been obtained.

The principal terms of the Deeds of Novation I and the transactions contemplated thereunder are as follows:

Date: 21 May 2026

Parties:

- (1) Wai Fung Shipping Limited, as original buyer;
- (2) Oriental Fleet SHIPPING 11 Limited, as new buyer; and
- (3) Heavy Industry (Yangzhou), as seller.

Subject matter: Pursuant to the Deeds of Novation I, with effect from the effective date of the relevant Deed of Novation I, Oriental Fleet SHIPPING 11 Limited shall replace Wai Fung Shipping Limited as the buyer under the relevant Existing Shipbuilding Contract I in respect of the relevant Target Vessel I. The relevant Existing Shipbuilding Contract I shall thereafter be construed and treated in all respects as if Oriental Fleet SHIPPING 11 Limited had been named therein as the buyer instead of Wai Fung Shipping Limited; and Oriental Fleet SHIPPING 11 Limited shall assume and enjoy all rights, benefits, title, obligations and liabilities of Wai Fung Shipping Limited under the relevant Existing Shipbuilding Contract I.

Contract price
and payment:

The aggregate contract price of the Target Vessels I under the Existing Shipbuilding Contracts I is US\$606.4 million, exclusive of tax.

The contract price of the Target Vessels I shall be payable in five instalments based on progress intervals on the construction of each vessel. The first instalment, representing 30% of the contract price, has been paid by Wai Fung Shipping Limited. Following completion of the novation, the remaining four instalments, which represent 70% of the contract price and are relatively evenly spread across the remaining payment milestones, will be payable by Oriental Fleet SHIPPING 11 Limited based on the payment schedule. The remaining instalments are expected to be settled in RMB based on the applicable exchange rate agreed with Heavy Industry (Yangzhou).

The aggregate cost to be borne by Oriental Fleet SHIPPING 11 Limited in respect of the Target Vessels I under the Memorandum of Agreement I and the Deeds of Novation I is expected to comprise (i) approximately RMB1,387.3113 million payable to Wai Fung Shipping Limited under the Memorandum of Agreement I; and (ii) approximately US\$424.48 million, exclusive of tax, payable to Heavy Industry (Yangzhou) under the Existing Shipbuilding Contracts I, representing the remaining shipbuilding instalments following the novation.

The Target Vessels I are methanol- and ammonia-ready Newcastlemax bulk cargo vessels. The Directors consider that the contract price of the Target Vessels I is in line with the market price of vessels of the same or similar type and is fair and reasonable, having taken into account, among other things, the specifications and technical features of the Target Vessels I, the expected delivery schedule, the information related to the value of the Target Vessels I as set out in Valuation Report I, and the recent market information available to the Group in respect of comparable methanol- and ammonia-ready Newcastlemax bulk cargo vessels.

Any price adjustment of the contract price under the Existing Shipbuilding Contracts I following novation shall be settled between Oriental Fleet SHIPPING 11 Limited and Heavy Industry (Yangzhou) only.

Source of funds: The remaining instalments payable by Oriental Fleet SHIPPING 11 Limited under the Existing Shipbuilding Contracts I following the novation will be funded by the internal resources and external financing of the Group.

Effectiveness: The Deeds of Novation I shall become effective when the following conditions have been duly fulfilled:

- (1) the due signing of the relevant Deed of Novation I by the authorized representatives of the parties hereto;
- (2) Heavy Industry (Yangzhou) receives a written notice from Wai Fung Shipping Limited, confirming that the Board of Directors of COSCO SHIPPING Bulk has approved the transaction completed, with a copy to Oriental Fleet SHIPPING 11 Limited; and
- (3) Heavy Industry (Yangzhou) receives a written notice from Oriental Fleet SHIPPING 11 Limited confirming that the Independent Shareholders at a general meeting of the Company have approved this Deed and the transaction contemplated hereunder, with a copy to Wai Fung Shipping Limited.

The principal terms of the Deeds of Novation II and the transactions contemplated thereunder are as follows:

Date: 21 May 2026

Parties:

- (1) Marienvoy Shipping Limited, as original buyer;
- (2) Oriental Fleet SHIPPING 12 Limited, as new buyer; and
- (3) Heavy Industry (Zhoushan), as seller.

Subject matter:	Pursuant to the Deeds of Novation II, with effect from the effective date of the relevant Deed of Novation II, Oriental Fleet SHIPPING 12 Limited shall replace Marienvoy Shipping Limited as the buyer under the relevant Existing Shipbuilding Contract II in respect of the relevant Target Vessel II. The relevant Existing Shipbuilding Contract II shall thereafter be construed and treated in all respects as if Oriental Fleet SHIPPING 12 Limited had been named therein as the buyer instead of Marienvoy Shipping Limited; and Oriental Fleet SHIPPING 12 Limited shall assume and enjoy all rights, benefits, title, obligations and liabilities of Marienvoy Shipping Limited under the relevant Existing Shipbuilding Contract II.
Contract price and payment:	<p data-bbox="491 604 1489 676">The aggregate contract price of the Target Vessels II under the Existing Shipbuilding Contracts II is US\$71.0 million, exclusive of tax.</p> <p data-bbox="491 725 1489 878">Marienvoy Shipping Limited had paid an aggregate amount of US\$24.85 million under the Existing Shipbuilding Contracts II. Following completion of the novation, the remaining amount will be payable by Oriental Fleet SHIPPING 12 Limited in a lump sum.</p> <p data-bbox="491 927 1489 1240">The aggregate cost to be borne by Oriental Fleet SHIPPING 12 Limited in respect of the Target Vessels II under the Memorandum of Agreement II and the Deeds of Novation II is expected to be US\$71.1397 million, comprising (i) the consideration of approximately US\$24.9897 million payable to Marienvoy Shipping Limited under the Memorandum of Agreement II; and (ii) the remaining amount payable to Heavy Industry (Zhoushan) under the Existing Shipbuilding Contracts II, which are estimated to be approximately US\$46.15 million, exclusive of tax.</p> <p data-bbox="491 1289 1489 1638">The Target Vessels II are 64,000 DWT bulk carriers. The Directors consider that the contract price of the Target Vessels II is in line with the market price of vessels of the same or similar type and is fair and reasonable, having taken into account, among other things, the specifications and technical features of the Target Vessels II, the expected delivery schedule, the information related to the value of the Target Vessels II as set out in Valuation Report II, and the recent market information available to the Group in respect of comparable 64,000 DWT bulk carriers.</p>

Any price adjustment of the contract price under the Existing Shipbuilding Contracts II following novation shall be settled between Oriental Fleet SHIPPING 12 Limited and Heavy Industry (Zhoushan) only.

Source of funds: The remaining instalments payable by Oriental Fleet SHIPPING 12 Limited under the Existing Shipbuilding Contracts II following the novation will be funded by the internal resources and external financing of the Group.

Effectiveness: The Deeds of Novation II shall become effective when the following conditions have been duly fulfilled:

- (1) the due signing of the relevant Deed of Novation II by the authorized representatives of the parties hereto;
- (2) Heavy Industry (Zhoushan) receives a written notice from Marienvoy Shipping Limited, confirming that the Board of Directors of COSCO SHIPPING Bulk has approved the transaction completed, with a copy to Oriental Fleet SHIPPING 12 Limited; and
- (3) Heavy Industry (Zhoushan) receives a written notice from Oriental Fleet SHIPPING 12 Limited confirming that the Independent Shareholders at a general meeting of the Company have approved this Deed and the transaction contemplated hereunder, with a copy to Marienvoy Shipping Limited.

2026 VESSEL LEASING AGREEMENTS

The principal terms of the 2026 Vessel Leasing Agreements are as follows:

Date: 21 May 2026

Parties: **(1) For the 2026 Vessel Leasing Agreement I:**

- (1) Oriental Fleet SHIPPING 11 Limited, as owner/lessor; and
- (2) Wai Fung Shipping Limited, as charterer/lessee.

(2) For the 2026 Vessel Leasing Agreement II:

- (1) Oriental Fleet SHIPPING 12 Limited, as owner/lessor; and
- (2) Wai Fung Shipping Limited, as charterer/lessee.

Subject matter: Pursuant to the 2026 Vessel Leasing Agreement I, Oriental Fleet SHIPPING 11 Limited has agreed to provide vessel leasing services to Wai Fung Shipping Limited in relation to the eight 211,000 DWT bulk carriers to be acquired by Oriental Fleet SHIPPING 11 Limited under the Assignment and Novation Agreements.

Pursuant to the 2026 Vessel Leasing Agreement II, Oriental Fleet SHIPPING 12 Limited has agreed to provide vessel leasing services to Wai Fung Shipping Limited in relation to the two 64,000 DWT bulk carriers to be acquired by Oriental Fleet SHIPPING 12 Limited under the Assignment and Novation Agreements.

Vessels to be chartered: The vessels to be chartered under the 2026 Vessel Leasing Agreement I are the eight 211,000 DWT bulk carriers under construction, being the Target Vessels I.

The vessels to be chartered under the 2026 Vessel Leasing Agreement II are the two 64,000 DWT bulk carriers under construction, being the Target Vessels II.

Lease arrangements and period: The Target Vessels I are expected to be leased under operating bareboat charters. The lease period of each Target Vessel I shall commence from the delivery date of the relevant vessel and shall be 240 months plus or minus 180 days at the charterer's option.

Upon expiration of the lease period of each Target Vessel I, Wai Fung Shipping Limited shall return such vessel to Oriental Fleet SHIPPING 11 Limited.

The Target Vessels II are expected to be leased under time charters. The lease period of each Target Vessel II shall commence from the delivery date of the relevant vessel and shall be 180 months plus or minus 90 days at the charterer's option.

Upon expiration of the lease period of each Target Vessel II, Wai Fung Shipping Limited shall return such vessel to Oriental Fleet SHIPPING 12 Limited.

Pricing terms and policies:

The pricing terms for vessel leasing services to be provided by Oriental Fleet SHIPPING 11 Limited/Oriental Fleet SHIPPING 12 Limited to Wai Fung Shipping Limited were determined by both parties through arm's length negotiation, with reference to factors such as prevailing market price offered by other leasing companies, vessel construction price, vessel specifications and delivery date, as well as the general pricing principles and price determination procedures under the Master Operating Lease Services Agreement. Such terms shall be no less favourable to the Group than the terms of vessel leasing services provided by the Group to independent third parties.

For further details, please refer to the paragraphs headed "2026 Vessel Leasing Agreement I – Rental amount" below.

Rental amount

The expected maximum annual rent payable to the Group for each Target Vessel I after delivery will be approximately RMB45.50 million, exclusive of tax, and the expected maximum annual rent payable to the Group for each Target Vessel II after delivery will be approximately RMB38.22 million, exclusive of tax, taking into account the upgrades to the vessels' fuel and propulsion systems, and the potential rent adjustments as detailed below.

The proposed annual caps for the vessel leasing services under the 2026 Vessel Leasing Agreements payable to the Group are as follows:

Year ending 31 December 2026	Year ending 31 December 2027	Year ending 31 December 2028	Each of the years ending 31 December 2029 to 2041	Each of the years ending 31 December 2042 to 2047	Year ending 31 December 2048
RMB40.0 million	RMB170.0 million	RMB400.0 million	RMB450.0 million	RMB370.0 million	RMB185.0 million

In arriving at the proposed Annual Caps, the Company has considered:

- (i) the expected aggregate annual rent of the Target Vessels under lease under the 2026 Vessel Leasing Agreements, calculated based on the formula below:

daily rent of such type of the vessels × number of days under lease during each year × number of such vessels under lease during each year

- (ii) expected rent adjustment due to expected vessel price adjustment during the course of shipbuilding as a result of equipment upgrades or adjustment and optimization of design of vessels;
- (iii) expected rent adjustment after delivery of vessels in light of equipment upgrades, modifications and structural optimization of vessels, as requested by the lessee to meet international conventions and environmental requirements upgrades; and
- (iv) the expected delivery schedule of the Target Vessels, taking into account possible early delivery or delay in delivery of the Target Vessels.

The aforementioned expected rent adjustments mainly considered the investment amount involved in additional equipment and upgrades, the estimated additional value created for lessee due to vessel upgrades, and the expected return on investment of equipment. The Board is of the view that it is reasonable and also in line with the industry practice for the Group, as lessor, to transfer to the lessee, the aforementioned additional investment costs incurred due to equipment upgrades during the course of shipbuilding or after delivery of the vessels for the compliance with the relevant environmental regulations in order to maintain the Company's investment return. The Board is of the view that the aforesaid rent adjustments are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Internal control procedures

The 2026 Vessel Leasing Agreements are specific agreements made under, and shall be governed by the existing Master Operating Lease Services Agreement (and its successor framework agreement(s) to be renewed by the parties, if applicable). Accordingly, the Group will ensure that the transaction contemplated under the 2026 Vessel Leasing Agreements will be conducted within the applicable annual caps for the provision of vessel leasing services under the Master Operating Lease Services Agreement, which shall be renewable every three years upon the approval by the independent Shareholders at the general meetings of the Company. In addition to the annual review by the auditors and independent non-executive Directors pursuant to the requirements of Chapter 14A of the Listing Rules, the Company has implemented the following internal control procedures:

- (i) the Company has prepared and implemented the Methods for Management of Connected Transactions (關連交易管理辦法) which sets out, among other things, the relevant requirements for and identification of connected transactions, the responsibilities of relevant departments in the conduct and management of connected transactions, reporting procedures and ongoing monitoring, with a view to ensuring compliance of the Group with applicable laws and regulations (including the Listing Rules) in relation to connected transactions;
- (ii) the Company will regularly convene meetings to discuss any issues in the transactions under the continuing connected transaction agreements and recommendations for improvement;
- (iii) the Company will regularly summarise the transaction amounts incurred under the respective continuing connected transaction agreements and submit periodic reports, which set out, among other things, the historical transaction amounts, the estimated future transaction amounts and the applicable annual caps, to the management of the Company. If the aforementioned transaction amount incurred reaches 80% of the respective applicable annual cap, immediate reporting will be made to the management of the Company. In doing so, the management and the relevant departments of the Company can be informed of the status of the continuing connected transactions in a timely manner such that the transactions can be conducted within the applicable annual caps;
- (iv) if it is anticipated that the existing annual caps may be exceeded in the event that the Company continues to conduct the continuing connected transactions, the relevant business departments shall report to the management of the Company at least two months in advance, the Company will then take all appropriate steps in advance to revise the relevant annual caps in accordance with the relevant requirements of the Listing Rules and if necessary, refrain from further conducting the relevant continuing connected transactions until the revised annual caps are approved; and
- (v) the supervision department of the Company will periodically review and inspect the progress of the relevant continuing connected transactions.

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

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

IFA's opinion on the term

Pursuant to Rule 14A.52 of the Listing Rules, the term of an agreement for a continuing connected transaction of a listed issuer must not exceed three years except in special circumstances. As the term of the 2026 Vessel Leasing Agreements exceed three years, the Company has appointed the Independent Financial Adviser to explain why the 2026 Vessel Leasing Agreements require a term that is longer than three years and to confirm that it is normal business practice for agreements of this type to be of such duration.

In assessing the reasons for the term of the 2026 Vessel Leasing Agreements to be longer than three years, the Independent Financial Adviser has discussed with the management of the Company and taken into consideration the following factors:

- (a) with a focus on shipping and logistics industry, it is the principal business of the Group to concentrate on the integrated development with container manufacturing, container leasing and shipping leasing business as the core business;
- (b) based on the discussion with the management of the Company, the Independent Financial Adviser understand that it is the Group's intention to focus on full lifecycle service demands for various shipping assets, strengthen its "purchase, lease, finance and sale" industrial-financial service capabilities, and deliver premium solutions for shipping development, so as to continue to solidify its leading position in the ship leasing industry in China;
- (c) the purpose of the construction of Target Vessels under the Existing Shipbuilding Contracts I and the Existing Shipbuilding Contracts II respectively are for subsequent leasing of the Target Vessels which is a core development of the principal business of the Company and for aligning the aforementioned development strategies of the Company; and
- (d) given that the entering into of the shipbuilding contract usually incurs substantial investment, a relatively longer-term agreement is commercially sensible for a ship leasing company to secure a long term investment return. The subsequent leasing of the Target Vessels will be accounted for as revenue in the consolidated financial statements of the Group, and will therefore provide a long term stable income stream for the Group and hence to further strengthen the ship leasing business as well as the development of the Group.

In considering whether it is fair and reasonable for 2026 Vessel Leasing Agreements to have a term of longer than three years, the Independent Financial Adviser considered that such practice is not uncommon in the ship leasing industry. In arriving at the aforesaid conclusion, the Independent Financial Adviser has performed desktop research and identified lease of ships transactions with a lease term over three years and constitute notifiable transactions under the Listing Rules from 1 May 2025 to 30 April 2026 (the "**Review Period**"), being the most recent twelve months to provide a general overview of latest market practice in relation to the lease terms of ships under leases, as

announced by companies listed on the Main Board that are principally engaged in the maritime business comparable to that of the Group (the “**Comparables**”). The Independent Financial Adviser has identified a list of three comparable transactions (the “**Comparables**”) with lease terms exceeding three years during the Review Period which is considered exhaustive and representative. Details of which are stated below:

Date of announcement	Company name	Stock code	Leased assets	Duration of lease
4 March 2026	CSSC (Hong Kong) Shipping Company Limited	3877	Feeder container	120 months
16 October 2025	Seacon Shipping Group Holdings Limited	2409	Bulk carrier	180 months
30 June 2025	Jinhui Holdings Company Limited	0137	Bulk carrier	84 months

In addition, the Independent Financial Adviser has also obtained and reviewed announcements (i) of COSCO SHIPPING Energy Transportation Co., Ltd* (中遠海運能源運輸股份有限公司), A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600026) and H shares of which are listed on Hong Kong Stock Exchange (Stock code: 1138) dated 31 August 2023 that it has entered into leasing transactions with an independent third party in relation to the leases of 3 LNG vessels, and the terms of which are up to maximum of 24 years (i.e. 288 months); (ii) published by China Merchants Energy Shipping Co., Ltd.* (招商局能源運輸股份有限公司) dated 3 April 2024 and 6 May 2024, A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601872), that it has entered into leasing transactions with independent third parties in relation to the leases of LNG vessels, and the terms of which are up to maximum of 25 years (i.e. 300 months) and 30 years (i.e. 360 months), respectively; and (iii) published by the Company dated 26 August 2025, that it has entered into, among others, leasing transactions with an independent third party in relation to the leases of a LNG vessel, and the terms of which are up to 20 years (i.e. 240 months).

Despite the lease terms under the 2026 Vessel Leasing Agreements is longer than that of the Comparables, taking into consideration that (i) a longer-term agreement is commercially sensible for a ship leasing company to secure a long term investment return; and (ii) the lease term of over 20 years for lease of vessels is not uncommon, as demonstrated by the aforementioned leased transactions entered into by the Company, China Merchants Energy Shipping Co., Ltd and COSCO SHIPPING Energy Transportation Co., Ltd, respectively, the Independent Financial Adviser therefore consider that it is normal business practice for the lease transaction to be of a lease term of 240 months.

REASONS FOR AND BENEFITS OF THE ASSIGNMENT AND NOVATION AGREEMENTS AND 2026 VESSEL LEASING AGREEMENTS

With a focus on shipping and logistics industry, the Company concentrates on the integrated development with container manufacturing, container leasing and shipping leasing business as the core businesses, underpinned by investment management, so as to achieve integrated development of industry and finance and strive to grow into a world-class industry-finance operator in the shipping industry with COSCO SHIPPING's characteristics.

It is proposed that immediately after the delivery of the Target Vessels, comprising eight 211,000 DWT bulk carriers and two 64,000 DWT bulk carriers under construction, the COSCO SHIPPING Bulk Group will charter-in the Target Vessels from the Group under the 2026 Vessel Leasing Agreements. The pricing terms under the 2026 Vessel Leasing Agreements shall be determined in accordance with the general pricing principles and price determination procedures under the Master Operating Lease Services Agreement. The transactions contemplated under the Assignment and Novation Agreements, and the subsequent leasing of such vessels by the Group to the COSCO SHIPPING Bulk Group, i.e. the 2026 Vessel Leasing Agreements, are part and parcel of the overall operating lease arrangements between the Group and the COSCO SHIPPING Bulk Group. The Directors believe that the transactions will further expand the scale of the Group's vessel leasing business, enhance the quality of its vessel asset portfolio, strengthen the foundation for the development of its vessel leasing business and contribute to stable long-term income and cash flow for the Group.

The Company actively responds to the green and low-carbon development trend of the shipping industry, continues to implement its strategic development plan for a shipping industry-finance operator, and enhances its value discovery and value creation capabilities. Through the transactions under the Assignment and Novation Agreements and the 2026 Vessel Leasing Agreements, the Company will further leverage the synergy between industry and finance, expand the scale and improve the quality of the Company's ship assets, strengthen the foundation of the development of its vessel leasing business, contribute to the stable long-term income and cash flow, enhance its overall financial soundness and reinforce its long-term development momentum. In particular, the eight 211,000 DWT bulk carriers are methanol- and ammonia-ready bulk carriers. By investing in high-quality shipping capacity featuring newer vessels with green, environmentally friendly, well-configured and highly versatile specifications, the Company demonstrates its support for global energy conservation, emission reduction and sustainable development strategies, and contributes to the transformation and upgrade of traditional industries. In addition, building on its accumulated experience, the Company will deepen collaboration with upstream and downstream enterprises along the shipping industry chain to explore use cases for RMB in "manufacturing, leasing and shipping", further advancing the implementation of the use of RMB in the international shipping sector and enhancing its market competitiveness.

The Directors (other than the independent non-executive Directors who will express their views after considering the advice from the Independent Financial Adviser) consider that the Assignment and Novation Agreements, the 2026 Vessel Leasing Agreements and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Group and are on normal commercial terms, and that the terms of the Assignment and Novation Agreements and the 2026 Vessel Leasing Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE PARTIES TO THE ASSIGNMENT AND NOVATION AGREEMENTS AND 2026 VESSEL LEASING AGREEMENTS

Information on the Group

The Company is a joint stock company established under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange.

With a focus on the integrated logistics industry, the Group develops container manufacturing, container leasing and shipping leasing as its core businesses and shipping supply chain finance services as auxiliary business, and leverages the support from investment management to achieve industry-finance-investment integrated development.

Information on Oriental Fleet SHIPPING 11 Limited

Oriental Fleet SHIPPING 11 Limited is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in ship holding and management, financing and leasing services.

Information on Oriental Fleet SHIPPING 12 Limited

Oriental Fleet SHIPPING 12 Limited is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in ship holding and management, financing and leasing services.

Information on COSCO SHIPPING Bulk

COSCO SHIPPING Bulk is a company established in the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in dry bulk shipping, semi-liner dry bulk shipping, whole-process logistics services, parcel cargo shipping services and coastal shipping services.

Information on Wai Fung Shipping Limited

Wai Fung Shipping Limited is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of COSCO SHIPPING Bulk. It is principally engaged in ship holding and management.

Information on Marienvoy Shipping Limited

Marienvoy Shipping Limited is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of COSCO SHIPPING Bulk. It is principally engaged in ship holding and management.

Information on Heavy Industry (Yangzhou)

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

Information on Heavy Industry (Zhoushan)

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

IMPLICATIONS UNDER THE LISTING RULES

Assignment and Novation Agreements

Pursuant to Rules 14.22 and 14A.81 of the Listing Rules the transactions contemplated under the Assignment and Novation Agreements should be aggregated, as they are similar in nature and all involve the Group taking over the rights and obligations under the Existing Shipbuilding Contracts through the Assignment and Novation Agreements.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the transactions contemplated under the Assignment and Novation Agreements exceed 5% but are less than 25%, the transactions contemplated under the Assignment and Novation Agreements constitute discloseable transactions of the Company which are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, COSCO SHIPPING is an indirect controlling shareholder of the Company and therefore a connected person of the Company. Each of COSCO SHIPPING Bulk, Wai Fung Shipping Limited, Marienvoy Shipping Limited, Heavy Industry (Yangzhou) and Heavy Industry (Zhoushan) is a direct or indirect wholly-owned subsidiary of COSCO SHIPPING. Accordingly, COSCO SHIPPING Bulk, Wai Fung Shipping Limited, Marienvoy Shipping Limited, Heavy Industry (Yangzhou) and Heavy Industry (Zhoushan) are associates of COSCO SHIPPING and therefore connected persons of the Company.

Accordingly, the Assignment and Novation Agreements and the transactions contemplated thereunder constitute connected transactions of the Company which are subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2026 Vessel Leasing Agreements

As at the date of this announcement, Wai Fung Shipping Limited is an indirect wholly-owned subsidiary of COSCO SHIPPING, and therefore is a connected person of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the proposed Annual Caps in respect of the transactions contemplated under the 2026 Vessel Leasing Agreements exceed 0.1% but are all less than 5%, the transactions under the 2026 Vessel Leasing Agreements constitute continuing connected transactions of the Company which are subject to the reporting and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since the initial term under the 2026 Vessel Leasing Agreements exceeds three years, pursuant to Rule 14A.52 of the Listing Rules, an independent financial adviser is required to explain why the 2026 Vessel Leasing Agreements require a period longer than three years and confirm that it is normal business practice for agreements of this type to be of such duration. The Independent Financial Adviser has been appointed and expressed its opinion in this regard in the section headed "2026 Vessel Leasing Agreements – IFA's opinion on the term" above in this announcement.

Mr. Zhang Mingwen, Mr. Wang Kunhui, Mr. Ip Sing Chi, Ms. Zhang Xueyan and Mr. Zheng Xiaozhe, who hold directorship(s) or act as senior management in COSCO SHIPPING and/or its associates and were nominated by China Shipping to the Board, have abstained from voting on the relevant Board resolution approving the Assignment and Novation Agreements, 2026 Vessel Leasing Agreements and the transactions contemplated thereunder. Save as aforementioned, none of the other Directors has a material interest in the Assignment and Novation Agreements, 2026 Vessel Leasing Agreements and the transactions contemplated thereunder. Therefore, no other Director has abstained from voting on such Board resolution.

GENERAL

The Independent Board Committee (comprising all the independent non-executive Directors) will be formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Assignment and Novation Agreements and the transactions contemplated thereunder.

In this connection, an Independent Financial Adviser will be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Assignment and Novation Agreements and the transactions contemplated thereunder.

The AGM will be convened for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Assignment and Novation Agreements and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Assignment and Novation Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Assignment and Novation Agreements and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its recommendation in respect of the Assignment and Novation Agreements and the transactions contemplated thereunder; and (iv) a notice convening the AGM, is expected to be despatched to the Shareholders on or before 8 June 2026.

DEFINITIONS

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

“2026 Vessel Leasing Agreement I”	the vessel leasing agreement dated 21 May 2026 entered into between Oriental Fleet SHIPPING 11 Limited and Wai Fung Shipping Limited in relation to the leasing of the Target Vessels I
“2026 Vessel Leasing Agreement II”	the vessel leasing agreement dated 21 May 2026 entered into between Oriental Fleet SHIPPING 12 Limited and Wai Fung Shipping Limited in relation to the leasing of the Target Vessels II
“2026 Vessel Leasing Agreements”	collectively, the 2026 Vessel Leasing Agreement I and the 2026 Vessel Leasing Agreement II
“A Share(s)”	the domestic share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“AGM”	the annual general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Assignment and Novation Agreements and the transactions contemplated thereunder
“Annual Caps”	the proposed annual caps for the expected aggregate annual rent payable to the Group under the 2026 Vessel Leasing Agreements, which shall be subject to, and shall not exceed, the annual caps under the Master Operating Lease Services Agreement
“Assignment and Novation Agreements”	collectively, the Memoranda of Agreement and the Deeds of Novation
“Board”	the board of Directors of the Company
“business day(s)”	the day(s) on which banks are generally open for business in Beijing, Hong Kong, New York, excluding Saturdays, Sundays and public holidays
“China Shipping”	China Shipping Group Company Limited# (中國海運集團有限公司), a PRC state-owned enterprise, a direct controlling shareholder of the Company and a wholly-owned subsidiary of COSCO SHIPPING

“Company”	COSCO SHIPPING Development Co., Ltd.# (中遠海運發展股份有限公司), a joint stock limited company established in the PRC, the H Shares and the A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 02866) and the Shanghai Stock Exchange (Stock Code: 601866), respectively
“COSCO SHIPPING”	China COSCO SHIPPING Corporation Limited# (中國遠洋海運集團有限公司), a PRC state-owned enterprise and an indirect controlling shareholder of the Company
“COSCO SHIPPING Bulk”	COSCO SHIPPING Bulk Co., Ltd.# (中遠海運散貨運輸有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
“COSCO SHIPPING Bulk Group”	COSCO SHIPPING Bulk and its subsidiaries
“COSCO SHIPPING Group”	COSCO SHIPPING, its subsidiaries and/or its associates (excluding the Group)
“Deeds of Novation”	collectively, the Deeds of Novation I and the Deeds of Novation II
“Deeds of Novation I”	collectively, the deeds of novation dated 21 May 2026 entered into among Wai Fung Shipping Limited, Oriental Fleet SHIPPING 11 Limited and Heavy Industry (Yangzhou) in relation to the novation of the Existing Shipbuilding Contracts I in accordance with the Memorandum of Agreement I
“Deeds of Novation II”	collectively, the deeds of novation dated 21 May 2026 entered into among Marienvoy Shipping Limited, Oriental Fleet SHIPPING 12 Limited and Heavy Industry (Zhoushan) in relation to the novation of the Existing Shipbuilding Contracts II in accordance with the Memorandum of Agreement II
“Director(s)”	director(s) of the Company
“DWT”	deadweight tonnage, a standard unit of measurement of the maximum weight a ship can carry
“Existing Shipbuilding Contracts”	collectively, the Existing Shipbuilding Contracts I and the Existing Shipbuilding Contracts II

“Existing Shipbuilding Contracts I”	collectively, the shipbuilding contracts dated 20 December 2024 entered into between Wai Fung Shipping Limited as buyer and Heavy Industry (Yangzhou) as seller in relation to the construction of the eight 211,000 DWT bulk carriers, as amended and supplemented from time to time
“Existing Shipbuilding Contracts II”	collectively, the shipbuilding contracts dated 30 June 2025 entered into between Marienvoy Shipping Limited as buyer and Heavy Industry (Zhoushan) as seller in relation to the construction of the two 64,000 DWT bulk carriers
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign shares in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“Heavy Industry (Yangzhou)”	COSCO SHIPPING Heavy Industry (Yangzhou) Co., Ltd.# (揚州中遠海運重工有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
“Heavy Industry (Zhoushan)”	COSCO SHIPPING Heavy Industry (Zhoushan) Co., Ltd.# (舟山中遠海運重工有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the Assignment and Novation Agreements and the transactions contemplated thereunder in accordance with the Listing Rules

“Independent Financial Adviser” or “IFA”	Messis Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being independent financial adviser to advise (i) the explanation as to why the 2026 Vessel Leasing Agreements require a period longer than three years and confirmation that it is normal business practice for agreements of this type to be of such duration pursuant to Rule 14A.52 of the Listing Rules; and (ii) the Independent Board Committee and the Independent Shareholders in respect of the Assignment and Novation Agreements and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than COSCO SHIPPING and its associates and all other Shareholders who are involved in or interested in the Assignment and Novation Agreements and the transactions contemplated thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Operating Lease Services Agreement”	the master operating lease services agreement dated 30 October 2025 entered into between the Company and COSCO SHIPPING in respect of the provision of operating lease services by the Group to the COSCO SHIPPING Group, and the purchase of operating lease services by the COSCO SHIPPING Group from the Group, as approved by the independent shareholders at the extraordinary general meeting of the Company dated 15 December 2025
“Memoranda of Agreement”	collectively, the Memorandum of Agreement I and Memorandum of Agreement II
“Memorandum of Agreement I”	the memorandum of agreement dated 21 May 2026 entered into between Wai Fung Shipping Limited as assignor and Oriental Fleet SHIPPING 11 Limited as assignee in relation to the assignment and novation of the Existing Shipbuilding Contracts I
“Memorandum of Agreement II”	the memorandum of agreement dated 21 May 2026 entered into between Marienvoy Shipping Limited as assignor and Oriental Fleet SHIPPING 12 Limited as assignee in relation to the assignment and novation of the Existing Shipbuilding Contracts II
“PRC”	the People’s Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

In addition, the terms “associate”, “connected person”, “connected transaction”, “controlling shareholder”, “percentage ratio(s)” and “subsidiary(ies)” shall have the meanings ascribed to them under the Listing Rules.

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

Shanghai, the People’s Republic of China
21 May 2026

As at the date of this announcement, the Board comprises Mr. Zhang Mingwen (Chairman) and Mr. Wang Kunhui, being executive directors, Mr. Ip Sing Chi, Ms. Zhang Xueyan and Mr. Zheng Xiaozhe, being non-executive directors, and Mr. Shao Ruiqing, Mr. Chan Kwok Leung and Mr. Wu Daqi, being independent non-executive directors.

* *The Company is a registered non-Hong Kong company as defined under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and it is registered under its Chinese name and under the English name “COSCO SHIPPING Development Co., Ltd.”.*

For identification purpose only