THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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

MAJOR DISPOSAL
IN RELATION TO
THE SALE AND LEASEBACK OF A VESSEL

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

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

16 June 2026

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

"Actual Delivery Date"	the date on which the Vessel is delivered by the Owner to the Charterer under the Bareboat Charter Agreement, which is expected to occur immediately after the Vessel is delivered by the SBC Seller to the Owner under the Shipbuilding Agreement following the assignment by Bal Container to the Owner
"Actual Owners' Costs"	the aggregate of (i) the Consideration and (ii) any amount accruing on the Fourth Instalment actually deposited with the SBC Seller's bank, calculated by reference to the Margin and the applicable SOFR-based rate
"Arrangement Fee"	the arrangement fee in an amount equal to 1% of the Consideration, payable by the Charterer not later than three Business Days before the earlier of delivery of the Vessel and, if applicable, the date on which the Owner pre-positions the fourth instalment amount into the SBC Seller's bank, provided that if the DOA is cancelled or the Bareboat Charter Agreement is terminated before the Arrangement Fee has been paid, the Arrangement Fee shall become immediately due and payable
"Bal Container"	Bal Container Line Co., Limited, a company incorporated in Hong Kong with limited liability and an indirect subsidiary of the Company
"Balloon"	an amount equal to 30% of the Actual Owners' Costs
"Bareboat Charter Agreement"	the bareboat charter agreement dated 3 June 2026 entered into between the Owner and the Charterer in respect of the bareboat chartering of the Vessel
"Board"	the board of directors of the Company
"Business Day"	in relation to the determination of the Actual Delivery Date, a day (other than a Saturday or Sunday) on which banks are open for general business in Singapore, and in any other case, a day (other than a Saturday or Sunday) on which banks are open for general business in Singapore, New York and Shanghai

"Charter Period"	120 months from the Actual Delivery Date
"Charterer"	BAL Athena Shipping Pte. Ltd., a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Company
"Charterers' Assignment"	the deed of assignment dated 3 June 2026 entered into by the Charterer in favour of the Owner, pursuant to which the Charterer assigns to the Owner all of the Charterer's right, title and interest in and to, among other things, the Insurances, the Earnings, the Requisition Compensation and certain Charter Rights as security for the Indebtedness
"China Shipbuilding"	China Shipbuilding Trading Co., Ltd. (中國船舶工業貿易有限公司), a corporation organised and existing under the laws of the PRC
"Company"	LC Logistics, Inc. (乐舱物流股份有限公司), an exempted company incorporated in the Cayman Islands with limited liability
"Connected person"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the aggregate amount payable or deemed to have been paid by the Owner to or for the account of Bal Container in consideration of the assignment of the Shipbuilding Agreement, comprising the Third Instalment and the Fourth Instalment
"Contractual Purchase Price"	the purchase price of the Vessel under the Shipbuilding Agreement, being US$144,800,000, subject to adjustment in accordance with the terms of the Shipbuilding Agreement
"Cost Balance"	at any relevant time, an amount equal to the Actual Owners' Costs as reduced by any payment, prepayment or deemed payment of Fixed Hire or the Balloon
"Director(s)"	the director(s) of the Company

"Disposal"	the assignment by Bal Container of the Shipbuilding Agreement to the Owner pursuant to the DOA and the transactions contemplated under the DOA, the Bareboat Charter Agreement, the Standby Charter, the Charterers' Assignment and the Manager's Undertaking
"DOA"	the deed of assignment dated 3 June 2026 entered into between Bal Container and the Owner, pursuant to which Bal Container assigns its right, title and interest in and to the Shipbuilding Agreement to the Owner and the Owner agrees to pay or is deemed to have paid the Consideration
"Fair Market Value"	the fair market value of the Vessel ascertained in accordance with the valuation mechanism under the Bareboat Charter Agreement
"Fixed Hire"	the fixed hire payable by the Charterer to the Owner on each Hire Payment Date during the Charter Period, being an amount equal to 1/40th of the amount by which the Actual Owners' Costs exceeds the Balloon
"Fourth Instalment"	an amount which relates to, and shall be no more than, the fourth instalment of the Contractual Purchase Price payable by Bal Container under the Shipbuilding Agreement, being no more than US$86,880,000, provided that, when aggregated with the Third Instalment, it shall not exceed the lower of 70% of the Contractual Purchase Price and 60% of the Market Value
"Group"	the Company and its subsidiaries
"Hire"	the Fixed Hire and the Variable Hire payable under the Bareboat Charter Agreement
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Indebtedness"	the aggregate from time to time of all sums of any nature, together with all accrued and unpaid interest on those sums, payable by the obligors or any of them to the Owner under all or any of the transaction documents

"Independent Third Party(ies)"	individual(s) or company(ies) which, to the best of our Directors' knowledge, information, and belief, having made all reasonable enquiries, is/are independent of the Company and its connected persons
"Jiangnan Shipyard"	Jiangnan Shipyard (Group) Co., Ltd. (江南造船(集團)有限責任公司), a corporation organised and existing under the laws of the PRC
"Latest Practicable Date"	15 June 2026, being the latest practicable date for ascertaining certain information referred to in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Manager's Undertaking"	the deed of undertaking dated 3 June 2026 entered into by the approved manager of the Vessel in favour of the Owner in respect of the Vessel
"Margin"	2% per annum
"Market Value"	the market value of the Vessel as determined by the valuation report prepared for the purposes of the transaction
"Owner"	Tianjin Green Ocean-V Leasing Limited, a company incorporated under the laws of the PRC and a special purpose vehicle of China Development Bank Financial Leasing Co., Ltd. (國銀金融租賃股份有限公司) (Stock Code: 1606)
"PRC"	the People's Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Purchase Obligation"	the obligation of the Charterer to purchase the Vessel from the Owner at the Purchase Obligation Price in the circumstances specified in the Bareboat Charter Agreement, including where the Owner serves a purchase obligation notice at any time after the fifth anniversary of the Actual Delivery Date, upon the expiry of the Charter Period, or upon an outbreak of war between the United States of America and the PRC

"Purchase Obligation Price"	the amount payable by the Charterer to the Owner for the purchase of the Vessel pursuant to the Purchase Obligation, comprising the applicable outstanding Cost Balance or Balloon amount, together with other amounts then due and payable by the Charterer to the Owner under the Bareboat Charter Agreement
"Purchase Option"	the option of the Charterer to purchase the Vessel from the Owner during the Charter Period after the Actual Delivery Date, subject to the conditions specified in the Bareboat Charter Agreement, including the Charterer giving at least 60 Business Days' prior written notice to the Owner
"Purchase Option Price"	the amount payable by the Charterer to the Owner upon exercise of the Purchase Option, comprising the applicable purchase option fee, the Cost Balance as at the Purchase Option Date and other amounts then due and payable by the Charterer to the Owner under the Bareboat Charter Agreement
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"SBC Seller"	together, Jiangnan Shipyard and China Shipbuilding
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shandong Lcang"	Shandong Lcang International Logistics Inc. Corp. Ltd (山東樂艙網國際物流股份有限公司), a company established in the PRC with limited liability and an approximately 99%-owned subsidiary of the Company
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Shipbuilding Agreement"	the shipbuilding agreement dated 6 June 2024 (as novated on 2 September 2024) entered into among Bal Container, China Shipbuilding and Jiangnan Shipyard in respect of the construction and sale of the Vessel (referred to as the "Building Contract" in the DOA)

"Standby Charter"	the standby bareboat charter dated 3 June 2026 entered into between the Owner and the Standby Charterer in respect of the Vessel, under which the Standby Charterer may, upon commencement of the Standby Charter in accordance with its terms, assume or fulfil the obligations of BAL Athena as Charterer under the Bareboat Charter Agreement or otherwise in relation to the Vessel
"Standby Charterer"	the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TEU(s)"	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of eight feet six inches and width of eight feet
"Third Instalment"	an amount which relates to, and shall be no more than, the third instalment of the Contractual Purchase Price payable by Bal Container under the Shipbuilding Agreement, being no more than US$14,480,000
"US$"	United States dollar, the lawful currency of the United States of America
"Valuation Report"	the valuation report to be prepared by Shanghai Gillion Asset Appraisal Co., Ltd. in respect of the Vessel, a copy of which will be set out in Appendix II to this circular
"Variable Hire"	the variable hire payable by the Charterer to the Owner on each Hire Payment Date during the Charter Period, calculated by reference to the outstanding Cost Balance at a rate per annum equal to the Margin plus the applicable SOFR-based rate
"Vessel"	the 14,000 TEU container vessel, Hull No. H2871, under construction by Jiangnan Shipyard pursuant to the Shipbuilding Agreement
"%"	per cent

LC Logistics, Inc.
乐舱物流股份有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2490)

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

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

Registered office:
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Hutchins Drive
P.O. Box 2681
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Qingdao, Shandong Province
PRC

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

16 June 2026

To the Shareholders,

Dear Sir or Madam,

MAJOR DISPOSAL IN RELATION TO THE SALE AND LEASEBACK OF A VESSEL

INTRODUCTION

Reference is made to the announcement of the Company dated 3 June 2026 (the "**Announcement**") in relation to the sale and leaseback arrangement involving the Vessel. The purpose of this circular is to provide you with (i) further details of the DOA, the Bareboat Charter Agreement, the Standby Charter, the Charterers' Assignment and the Manager's Undertaking; (ii) other information required under the Listing Rules; and (iii) a notice of the EGM.

THE DOA

The principal terms of the DOA are summarised as follows:

Date:	3 June 2026
Parties:	(1) Bal Container (as assignor); and (2) the Owner (as assignee)
Subject Matter:	Bal Container agreed to assign all its right, title and interest in and to the Shipbuilding Agreement (including the right to take delivery of the Vessel) to the Owner.
Consideration:	The Consideration comprises: (1) the Third Instalment of up to US$14,480,000, relating to the third instalment of the Contractual Purchase Price payable by Bal Container under the Shipbuilding Agreement; and (2) the Fourth Instalment of up to US$86,880,000, relating to the fourth instalment of the Contractual Purchase Price payable by Bal Container under the Shipbuilding Agreement. When aggregated with the Third Instalment, the Fourth Instalment shall not cause the Consideration to exceed the lower of 70% of the Contractual Purchase Price (being US$144,800,000) and 60% of the Market Value. Under the DOA, Bal Container is required to give written notice to the SBC Seller (being Jiangnan Shipyard and China Shipbuilding) of the assignment of the Shipbuilding Agreement and to procure the acknowledgement by the SBC Seller of such notice.

Condition precedent:	Completion and implementation of the transactions contemplated under the DOA, the Bareboat Charter Agreement, the Standby Charter, the Charterers' Assignment and the Manager's Undertaking are subject to the satisfaction or waiver (where applicable) of the relevant conditions precedent and other requirements under the transaction documents, including, among others, delivery of corporate authorisations, legal opinions, know-your-customer documents, payment of applicable fees, costs and expenses, insurance and vessel-related documents, and approval by the Shareholders where required under the Listing Rules. If the Shareholders' approval is not obtained, the Company will not proceed with the Disposal and the transactions contemplated under the transaction documents.

THE BAREBOAT CHARTER AGREEMENT

The principal terms of the Bareboat Charter Agreement are summarised as follows:

Date:	3 June 2026
Parties:	(1) the Owner; and (2) the Charterer
Charter Period:	120 months from the Actual Delivery Date
Hire:	The Charterer shall pay to the Owner: (a) Fixed Hire: for each quarter, a sum equal to 1/40th of (the Actual Owners' Costs minus the Balloon), payable quarterly; and (b) Variable Hire: for each quarter, interest on the outstanding Cost Balance at the Margin (2% per annum) plus the applicable SOFR-based rate, payable quarterly. As at the Latest Practicable Date, the Fixed Hire amounted to approximately US$70,952,000 and the Variable Hire amounted to approximately US$37,918,877
Balloon:	30% of the Actual Owners' Costs

Purchase Option:	The Charterer has the option to purchase the Vessel during the Charter Period after the Actual Delivery Date, subject to the conditions specified in the Bareboat Charter Agreement, including the Charterer giving at least 60 Business Days' prior written notice to the Owner. The applicable purchase option fee is 1% of the Cost Balance if the Purchase Option Date falls on or before the third anniversary of the Actual Delivery Date, 0.6% of the Cost Balance if it falls after the third anniversary and on or before the sixth anniversary of the Actual Delivery Date, and nil thereafter.
Purchase Obligation:	The Charterer is obligated to purchase the Vessel at the expiry of the Charter Period at the Purchase Obligation Price, which includes the Balloon, being 30% of the Actual Owners' Costs, and any amount by which the then current Cost Balance exceeds the Balloon, together with other amounts then due and payable by the Charterer to the Owner. The Bareboat Charter Agreement also contains other circumstances giving the Owner the right to require the Charterer to purchase the Vessel, including where the Owner serves a purchase obligation notice at any time after the fifth anniversary of the Actual Delivery Date, or upon an outbreak of war between the United States of America and the PRC.
Arrangement Fee:	1% of the Consideration under the DOA, payable by the Charterer not later than three Business Days before the earlier of delivery of the Vessel and, if applicable, the date on which the Owner pre-positions the fourth instalment amount into the SBC Seller's bank, provided that if the DOA is cancelled or the Bareboat Charter Agreement is terminated before the Arrangement Fee has been paid, the Arrangement Fee shall become immediately due and payable.
Value Maintenance:	The ratio of Cost Balance to Fair Market Value shall not be higher than 70%. If the ratio is exceeded, the Charterer shall provide additional security or make prepayment.
Insurance:	The Charterer shall maintain hull and machinery and war risks insurance in an amount not less than the greater of 110% of the latest Fair Market Value or Market Value, as applicable, and 120% of the Cost Balance.

SECURITY MEASURES

The Standby Charter, the Charterers' Assignment and the Manager's Undertaking form part of the security measures in connection with the sale and leaseback arrangement, and are intended to secure the obligations of the Charterer and other obligors under the transaction documents and to protect the Owner's interests in the Vessel and the related cash flows.

The Standby Charter

The Standby Charter is a standby bareboat charter entered into between the Owner and the Standby Charterer (being the Company). The Standby Charter may commence upon the Owner's delivery of an original duly executed certificate of acceptance to the Standby Charterer and satisfaction of the relevant conditions under the Standby Charter, following certain specified events under the Bareboat Charter Agreement, including, for example, failure to pay amounts due, material misrepresentation, breach of specified undertakings, cross default, insolvency or winding-up of a core obligor.

Upon commencement, the Standby Charterer shall be deemed to have accepted delivery of the Vessel and shall assume or fulfil the obligations of BAL Athena as Charterer under the Bareboat Charter Agreement or otherwise in relation to the Vessel, including payment, operational and purchase-related obligations, on terms substantially similar to those of the Bareboat Charter Agreement.

The Charterers' Assignment

Pursuant to the Charterers' Assignment, the Charterer assigns to the Owner all of the Charterer's right, title and interest in and to (a) the Insurances, (b) the Earnings, (c) the Requisition Compensation and (d) certain Charter Rights, including rights under any Sub-Charter which is on a demise chartering basis or has a duration (taking into account any option to renew or extend) of more than thirteen (13) months, as security for the due and punctual payment of the Indebtedness and the performance by the obligors of all their obligations under the transaction documents.

The Manager's Undertaking

As a condition to the sale and leaseback arrangement, the approved manager of the Vessel is required to give the Manager's Undertaking in favour of the Owner.

For the avoidance of doubt, no member of the Group is a party to the Manager's Undertaking.

THE CONSIDERATION

The Consideration for the assignment under the DOA comprises the Third Instalment (up to US$14,480,000) and the Fourth Instalment (up to US$86,880,000). When aggregated with the Third Instalment, the Fourth Instalment shall not cause the Consideration to exceed the lower of 70% of the Contractual Purchase Price (being US$144,800,000) and 60% of the Market Value. Based on the Valuation Report, the appraised value of the Vessel upon its construction completion on 28 July 2026, using cost method, is US$170.5872 million. For further details of the Valuation Report, please refer to Appendix II to this circular. As 70% of the Contractual Purchase Price gives a lower value, the exact Consideration is US$101,360,000.

The Consideration was determined after arm's length negotiations between Bal Container and the Owner with reference to (i) the Contractual Purchase Price of the Vessel; (ii) the Market Value of the Vessel; (iii) prevailing market conditions for sale and leaseback transactions for vessels of comparable size and type; and (iv) the Valuation Report.

FINANCIAL EFFECT AND USE OF PROCEEDS FROM THE DISPOSAL

The Disposal is to be accounted for as a financing transaction under the applicable accounting standards. No right-of-use assets will be recognised in the Group's accounts in relation to the Bareboat Charter Agreement. Accordingly, no gain or loss will be recognised by the Group upon completion of the Disposal. The total assets and total liabilities of the Group will simultaneously increase by approximately US$101,360,000.

The net proceeds from the Disposal (being the Consideration) will be applied as follows:

(a) approximately US$86,880,000 will be applied towards the settlement of the outstanding construction cost of the Vessel payable to Jiangnan Shipyard and China Shipbuilding under the Shipbuilding Agreement; and

(b) approximately US$14,480,000 will be applied to the payment of salaries, rent and other day-to-day administrative expenses.

THE VESSEL

The Vessel is a 14,000 TEU container vessel, Hull No. H2871, under construction by Jiangnan Shipyard pursuant to the Shipbuilding Agreement dated 6 June 2024 (as novated on 2 September 2024). The Contractual Purchase Price is US$144,800,000.

As the Vessel is still under construction pursuant to the Shipbuilding Agreement, no net profits were attributable to the Vessel. The unaudited net book value of the Vessel as at 30 April 2026 is US$57.92 million, which is equivalent to 40% of the Contractual Purchase Price.

REASONS FOR AND BENEFITS OF THE SALE AND LEASEBACK ARRANGEMENT

The Group is an integrated cross-border seaborne logistics service provider in the PRC. The sale and leaseback arrangement enables the Group to finance the construction cost of the Vessel while retaining operational control of the Vessel throughout the Charter Period.

The Directors consider that the sale and leaseback arrangement:

(a) provides a cost-effective means of financing the construction of the Vessel without additional bank borrowings;

(b) optimises the capital structure of the Group and enhances its financial flexibility;

(c) allows the Group to retain operational control of the Vessel throughout the Charter Period; and

(d) enables the Group to re-acquire full ownership of the Vessel upon fulfilment of the Purchase Obligation at the expiry of the Charter Period.

In view of the above, the Directors consider that the terms of the DOA, the Bareboat Charter Agreement, the Standby Charter and the Charterers' Assignment are on normal commercial terms and 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 TRANSACTION

Information on the Group, Bal Container and Shandong Lcang

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

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

Information on the Charterer

The Charterer, BAL Athena Shipping Pte. Ltd., is a company incorporated in Singapore and is a wholly-owned subsidiary of the Company. It is principally engaged in the chartering and operation of vessels.

Information on the Owner

The Owner, Tianjin Green Ocean-V Leasing Limited, is a company incorporated under the laws of the PRC and a special purpose vehicle of China Development Bank Financial Leasing Co., Ltd. (國銀金融租賃股份有限公司), a company listed on the Main Board of the Stock Exchange (Stock Code: 1606). The Owner is principally engaged in the leasing business.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Owner and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Information on China Shipbuilding and Jiangnan Shipyard

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

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

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, China Shipbuilding, Jiangnan Shipyard and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of thereof exceeds 25% but all of which are below 75%, the transactions contemplated under the DOA and the Bareboat Charter Agreement constitute a major transaction for the Company and is subject to the reporting and announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDERS' APPROVAL

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the transactions contemplated under the DOA, the Bareboat Charter Agreement, the Standby Charter and the Charterers' Assignment. As such, no Shareholders would be required to abstain from voting in favour of the resolution approving the DOA, the Bareboat Charter Agreement, the Standby Charter, the Charterers' Assignment.

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

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

On 3 June 2026, the Company obtained an irrevocable and unconditional written approval for the DOA, the Bareboat Charter Agreement, the Standby Charter, the Charterers' Assignment and the transactions contemplated thereunder in accordance with Rule 14.44 of the Listing Rules from Lecang Altitude Limited, Lecang Fantasy Limited, Glorious Sailing Limited, Lecang Shining Limited and Lecang Flourishing Limited, being the beneficial owners of 317,106,588 Shares, representing approximately 55.39% of the existing issued share capital of the Company as at the Latest Practicable Date. Accordingly, the DOA, the Bareboat Charter Agreement, the Standby Charter, the Charterers' Assignment and the transactions contemplated thereunder have been approved by the Shareholders by way of written Shareholders' approval in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

As the transaction is subject to the satisfaction of the conditions set out below, it may or may not be completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

RECOMMENDATION

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

ADDITIONAL INFORMATION

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

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

(1) FINANCIAL INFORMATION OF THE GROUP

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

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

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

- Annual report of the Company for the year ended 31 December 2025 (pages 148 to 248) https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0428/2026042805161.pdf

(2) INDEBTEDNESS

As at the close of business on 30 April 2026, being the latest practicable date for the purpose of this indebtedness statement, (i) the Group had outstanding interest-bearing bank borrowings of RMB43,000,000, of which RMB10,000,000 were unsecured and guaranteed by a non-controlling shareholder of a subsidiary and independent third parties, and RMB33,000,000 were unsecured and unguaranteed; the Group had other borrowings of approximately RMB22,509,000 which were unguaranteed and secured by mortgages over the dry bulk vessel with a net carrying amount of approximately RMB47,135,000; (ii) the Group had outstanding lease liabilities of approximately RMB48,205,000, and the lease liabilities represent the present value of outstanding lease payments under the lease agreements; (iii) the Group did not have any contingent liabilities.

Save as aforesaid, and apart from intra-group liabilities, at the close of business on 30 April 2026, the Group had no other outstanding mortgages, charges, debentures or other loan capital or bank overdrafts or loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance (other than normal trade bills) credits, debt securities, guarantees or other material contingent liabilities.

(3) FINANCIAL AND TRADING PROSPECTS

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

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

(4) WORKING CAPITAL

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

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

This report is prepared in accordance with the PRC Assets Appraisal Standards

Appraisal Report of Value After Completion of a Ship Under Construction (The Jiangnan Shipyard Number HULL NO. H2871) For Proposed Financial Lease by BAL Container Line Co., Limited

HJLPBZ (2026) No. 1116

Shanghai Gillion Asset Appraisal Co., LTD
19 May 2026

集联 GILLION

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Appraisal Report of Value After Completion of a Ship Under Construction (The Jiangnan Shipyard Number HULL NO. H2871) For Proposed Financial Lease by BAL Container Line Co., Limited

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STATEMENT

This statement is an integral part of this report.

I. This assets appraisal report is prepared in accordance with the Assets Appraisal Basic Standards issued by the Ministry of Finance and the Code of Practice for Assets Appraisal and Code of Professional Ethics issued by China Appraisal Society.

II. The client or any other user of the assets appraisal report shall use the assets appraisal report in accordance with the provisions of laws and administrative regulations and the scope of use specified in the assets appraisal report; if the client or any other user of the assets appraisal report uses the assets appraisal report in violation of the foregoing provisions, the assets appraisal agency and the assets appraisal professionals shall not be liable.

III. The assets appraisal report shall only be used by the client, other users of the assets appraisal report as agreed in the Assets Appraisal Engagement Contract and users of the assets appraisal report as stipulated by laws and administrative regulations. Additionally, no other institution or individual can be the user of the assets appraisal report.

IV. The assets appraisal agency and its assets appraisal professionals remind the user of the assets appraisal report to correctly understand and use the appraisal conclusion, which is not equal to the realizable price of the appraisal object, and shall not be regarded as a guarantee for the realizable price of the appraisal object.

V. The assets appraisal agency and its assets appraisal professionals abide by laws, administrative regulations and assets appraisal standards, adhere to the principles of independence, objectivity and impartiality, and assume responsibility for the assets appraisal report issued according to law.

VI. The list of assets relating to the appraisal object is declared by the client and the property right holder and confirmed by them with signature, seal or other means permitted by law; the client and other relevant parties shall be responsible for the authenticity, completeness and legality of the materials provided by them according to law.

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VII. The assets appraisal agency and the assets appraisal professionals have no existing or expected interest relation with the appraisal object in the assets appraisal report, no existing or expected interest relation with the relevant parties, and no bias against the relevant parties.

VIII. The assets appraisal professionals have carried out field investigation on, paid necessary attention to the legal ownership status of and checked the legal ownership information of the appraisal object and the assets involved in the assets appraisal report, truthfully disclosed the problems discovered, and asked the client and other relevant parties to improve the property rights to meet the requirements for issuing the assets appraisal report. However, we only express opinions on the value of the appraised assets, and we have no right to provide any form of guarantee for their legal ownership. This report shall not be used as any form of property right certification document.

IX. The analysis, judgment, and results in the asset appraisal report issued by the asset appraisal agency are limited by the assumptions and limiting conditions in the asset appraisal report. Users of the asset appraisal report should fully consider the assumptions, limiting conditions, special issues, and their impact on the appraisal conclusion stated in the asset appraisal report.

X. In this asset appraisal report, for all tables or text expressions with RMB10,000 as the unit of amount, if there is a difference between the total and the sum of the sub-items, it is caused by rounding.

XI. Except for required submissions to relevant government authorities or necessary disclosures in accordance with the law, no part of the content of this asset appraisal report may be published in any public media without the permission of the asset appraisal agency.

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Appraisal Report of Value After Completion of a Ship Under Construction (The Jiangnan Shipyard Number HULL NO. H2871) For Proposed Financial Lease by BAL Container Line Co., Limited

SUMMARY

Special Note: The following content is extracted from the text of this report. To understand the details of this appraisal project and reasonably understand the appraisal consultation conclusion, the text of the report should be read.

Project Name	Asset appraisal project of value after completion of a ship under construction (The Jiangnan Shipyard Number HULL NO. H2871) for Proposed Financial Lease by BAL Container Line Co., Limited
Report Number	HJLPBZ (2026) No. 1116
Client and Property Right Holder	BAL Container Line Co., Limited (English name: BAL Container Line Co., Limited)
Other Users of the Report	No users other than those permitted by relevant laws and regulations for economic activities are provided for in this report.
Purpose of Appraisal	Proposed financial lease
Appraisal Base Date	July 28, 2026

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Target and Scope of Appraisal	Target and Scope of Appraisal: The target of appraisal is the value after completion of a ship built by Jiangnan Shipyard (Group) Co., Ltd. (hereinafter referred to as "Jiangnan Shipyard") as declared by the Client; The scope of appraisal is a 14,000TEU container ship (Jiangnan Shipyard No. HULL NO.H2871) for proposed financial lease. (For details, please refer to the asset appraisal schedules)
Type of Value	Market value
Method of Appraisal	Cost method
Appraisal Conclusion	After appraisal, under the existing assumptions, the appraised value of the assets under appraisal of BAL Container Line Co., Limited as at the appraisal base date of July 28, 2026 is RMB1,166.39 million, amounting to USD170.5872 million (calculated at the exchange rate on the report date).
Validity Period of Report Conclusion:	The appraisal conclusion of this appraisal report is valid for one year (from the report date to 18 May 2027).
Special Issues with Significant Impact on Appraisal Conclusion:	1. The exchange rate adopted in this appraisal on the date of this report is the central parity rate of US dollar against RMB at 6.8375. 2. Since the appraisal base date is a future date, the cost standard, interest rate, exchange rate, and tax rate are assumed to be the same as those on the report date. The assumption that the vessel can be completed and delivered within the planned period does not constitute a guarantee for the construction timeframe. Users of the Report should pay attention to the above information and make independent judgments. For other explanatory notes on special issues, please refer to "XI. EXPLANATORY NOTES ON SPECIAL ISSUES" in the text of the report

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Appraisal Agency	Shanghai Gillion Asset Appraisal Co., LTD
Report Issuance Date	May 19, 2026

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Appraisal Report of Value After Completion of a Ship Under Construction (The Jiangnan Shipyard Number HULL NO. H2871) For Proposed Financial Lease by BAL Container Line Co., Limited

Text

HJLPBZ (2026) No. 1116

BAL Container Line Co., Limited:

In accordance with relevant laws, administrative regulations, and asset appraisal standards, we adhere to the principles of independence, objectivity, and justice. We adopt the cost method and follow the necessary appraisal procedures for a ship under construction at Jiangnan Shipyard, numbered HULL NO. H2871, involved in your company's proposed financial lease. The market value after completion has been assessed. The asset appraisal situation is now reported as follows:

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

(i) Client

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

Registration place: Hong Kong, China

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

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(ii) Property Right Holder

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

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

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

II. PURPOSE OF ASSET APPRAISAL

BAL Container Line Co., Limited proposes to lease a ship under construction (The Jiangnan Shipyard Number HULL NO. H2871) through financial leasing, and has commissioned Shanghai Gillion Asset Appraisal Co., LTD to estimate the value after completion of the ship involved in this economic transaction and to issue a professional opinion.

III. TARGET AND SCOPE OF APPRAISAL

The target of this appraisal is the value of a ship completed built by Jiangnan Shipyard (Group) Co., Ltd.; the scope of the appraisal encompasses the proposed financial lease of a 14,000 TEU container ship (Jiangnan Shipyard number HULL NO. H2871).

The Contract Price of the Appraised Ship is USD144,800,000.00. As of the date of this report, the Net Book Value of the Appraised Ship, representing payments made according to the contractually agreed construction schedule, totals USD57,920,000.00.

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The relevant construction parameters are as follows:

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

The contract for the construction of the commissioned vessel was signed in June 2024 for construction by Jiangnan Shipyard. The launching has been completed before the issuance date of this report, and sea trials and delivery are planned for July.

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

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IV. TYPE AND DEFINITION OF VALUE

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

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

V. APPRAISAL BASE DATE

Considering the specific circumstances of the assets under appraisal, the base date for this appraisal has been set as the completion and delivery date of the vessel under appraisal, which is July 28, 2026. This decision was made by mutual agreement between the Appraisal Agency and the Client, in order to accurately reflect the market value of the appraisal subject and to facilitate the smooth achievement of the objectives for this project.

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

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VI. BASES FOR REFERENCE

(i) Basis of Laws and Regulations

1. Asset Appraisal Law of the People's Republic of China (Order No. 46 of the President of the People's Republic of China promulgated in 2016)

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

3. Other pertinent laws and regulations

(ii) Bases of Appraisal Standards

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

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

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

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

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

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

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

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

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

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

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

(iii) Basis of Ownership

1. Purchase contract

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

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

4. Other documents proving property rights

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(iv) Basis of Pricing

1. Local rules and regulations on pricing and charging standards

2. Statistics materials issued by relevant government authorities

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

4. Related price indices and related research reports

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

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

VII. METHOD OF APPRAISAL

(1) Adaptability Analysis of Method of Appraisals

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

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

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

(2) Introduction to Appraisal Methods

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

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

VIII. IMPLEMENTATION PROCESS AND CONDITIONS OF APPRAISAL PROCEDURES

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

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

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

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

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

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

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

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

IX. ASSUMPTIONS

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

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(1) Basic Assumptions

1. Trading Assumption

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

2. Open-Market Assumption

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

(2) General Assumptions

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

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

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

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

(3) Special Assumptions

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

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

X. APPRAISAL CONCLUSION

After appraisal, under the existing assumptions, the appraised value of the assets under appraisal of BAL Container Line Co., Limited as at the appraisal base date of July 28, 2026 is RMB1,166.39 million, amounting to USD170.5872 million (calculated at the exchange rate on the report date).

The Appraisal Conclusion of this Appraisal Report is valid for one year (from the date of the report to May 18, 2027).

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XI. EXPLANATORY NOTES ON SPECIAL ISSUES

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

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

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

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

1. The exchange rate adopted in this appraisal on the date of this report is the central parity rate of US dollar against RMB at 6.8375.

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

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

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

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

XII. LIMITS ON USE

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

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

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

4. The asset appraisal agency and asset appraisal professionals suggest that the users of the asset appraisal Report should correctly understand the appraisal conclusions. The appraisal conclusion is not the same as evaluating the price of a consulting object and should not be considered a guarantee for evaluating the price of a consulting object.

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

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

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

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XIII. REPORT DATE

The Appraisal Report is issued on May 19, 2026.

XIV. ASSET APPRAISAL AGENCY

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

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EXPLANATIONS ON THE VALUE APPRAISAL TECHNIQUES UPON COMPLETION OF HULL NO. H2871 OF JIANGNAN SHIPYARD

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

I. Introduction to Appraisal Methods

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

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

The appraisal is based on the following special assumptions:

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

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

II. Appraisal Process

1. Determination of the full replacement price

1.1 The purchase price of new vessels

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

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In terms of the market: In Q1 2026, China's shipbuilding completions, new orders and order backlog accounted for 57.3%, 84.9% and 69.8% of the global market, respectively. Among 18 major ship types, 15 saw China rank first in new orders. For large vessels, China's shares of VLCCs, large car carriers, bulk carriers and 10,000+ TEU container ships all exceeded 90%.

In terms of materials: Steel prices have fluctuated slightly recently, while prices of special steel products remain relatively stable.

In terms of the exchange rate: Since the signing of the contract for this vessel, the USD/CNY exchange rate has fluctuated repeatedly. The RMB has staged a strong rally recently.

In summary, the sharp surge in new orders in recent years, coupled with stable steel prices and RMB appreciation, has driven a steady rise in profitability for shipyards, keeping the shipping market in a strong boom.

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

According to the China Newbuilding Price Index, the index figure for container ships stood at 1091 in June 2024 (the time of original purchase) and 1115 in April 2026. As this index is compiled and denominated in US dollars, the vessel cost is revised directly on a US dollar basis.

Newbuilding price = 14,480 × (1,115/1,091) = 14,480 × 1.0220 = 14,798.56 (ten thousand of USD)

Based on the central parity rate of US dollar against RMB, which was 6.8628 on April 30, 2026, the index date, the newbuilding price was RMB1,015.5956 million.

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

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

① Management costs

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

② Capital costs

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

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

In view of the high total shipbuilding price, the long shipbuilding cycle, and as the financial leverage is generally not available for prepayments, the buyer bears great financial pressure at the earlier stage. Meanwhile, the order volume of major shipyards has currently increased significantly and the schedule is long. Based on market research and interviews with shipyards, it currently takes at least 4 years from the signing of the contract to the delivery of the vessel. Therefore, the appraisal of the capital costs is determined as follows based on

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a reasonable market cycle and the current return on invested capital (or ROIC) (10.96%, TTM Data for April 2025) of the shipping industry:

Unit: RMB ten thousand

Payment nodes	Total shipbuilding price	Percentage	Amounts	Reasonable period before delivery (years)	Capital costs
Initial payment	101,559.56	20%	20,311.91	4.00	10,479.06
steel cutting		10%	10,155.96	3.00	3,718.80
Keel laying		10%	10,155.96	0.80	881.15
Delivery		60%	60,935.73	0	–
Total					15,079.01

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

Full replacement price = 101,559.56+15,079.01

= 116,639.00 (RMB ten thousand rounded)

The amount converted into US dollars is USD170,587,200 based on the exchange rate of 1 US dollar to 6.8375 Chinese yuan on the date of report issuance.

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 OF DIRECTORS AND CHIEF EXECUTIVE

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

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

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

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

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

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

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

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

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

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

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

Notes:

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

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

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

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

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

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

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

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

4. 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 2025, being the date to which the latest published audited financial statements of the Company were made up.

5. LITIGATION

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

6. EXPERTS AND CONSENTS

The qualification of the expert who has given opinions or advice which are contained in this circular is as follows:

Name	Qualification
Shanghai Gillion Asset Appraisal Co., Ltd.	Professional valuer

As at the Latest Practicable Date, the above expert had given and had not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter and/or report and/or references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, the above expert had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert had no direct or indirect interest in any assets which had been, since 31 December 2025 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date and are or may be material:

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

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

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

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

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

(6) the heads of agreement dated 30 December 2025 entered into between Lehang Boundless Limited and Blue Anchor Oceanway Limited (for the vessel with Hull No. H2872) in relation to the novation of all rights and obligations under the shipbuilding agreement dated 6 June 2024, details of which are disclosed in the announcement and circular of the Company dated 30 December 2025 and 20 January 2026;

(7) the novation agreement dated 30 December 2025 entered into among Lehang Boundless Limited, Blue Anchor Oceanway Limited, China Shipbuilding and Jiangnan Shipyard (for the vessel with Hull No. H2872) in relation to the novation of all rights and obligations under the shipbuilding agreement dated 6 June 2024, details of which are disclosed in the announcement and circular of the Company dated 30 December 2025 and 20 January 2026; and

(8) the two shipbuilding agreements dated 27 February 2026 and the two corresponding addendum dated 27 February 2026, entered into among the Company, China Shipbuilding and Shanghai Waigaoqiao Shipbuilding Company Limited in relation to the order for construction of two large container vessels with Hull No. H1664 and Hull No. H1665, details of which are disclosed in the announcement and circular of the Company dated 27 February 2026 and 20 March 2026.

8. DOCUMENTS ON DISPLAY

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

(a) the DOA;

(b) the Bareboat Charter Agreement;

(c) the Standby Charter;

(d) the Charterers' Assignment;

(e) the Valuation Report, the text of which is set out in Appendix II to this circular;

(f) the written consents referred to in the paragraph headed "6. EXPERTS AND CONSENTS" above; and

(g) the material contracts referred to in the paragraph headed "7. MATERIAL CONTRACTS" above.

9. GENERAL

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

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

(c) The headquarters and principal place of business of the Company in the PRC is at 9/F, China Stone Building, 37 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province, PRC.

(d) The principal place of business of the Company in Hong Kong is at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

(e) The Company's share registrar is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(f) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese text.