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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) MAJOR TRANSACTIONS
2026 SECOND CHINA STATE SHIPBUILDING CONTRACTS
(2) DISCLOSEABLE TRANSACTIONS
2026 XIAMEN XIANGYU SHIPBUILDING CONTRACTS
AND
(3) PROPOSED CONTINUING CONNECTED TRANSACTIONS
2026 SECOND VESSEL LEASING ARRANGEMENTS
(4) DELAY IN DESPATCH OF CIRCULAR

2026 SECOND SHIPBUILDING CONTRACTS

The Board is pleased to announce that the Group proposes to acquire 15 vessels in aggregate (the “**Target Vessels III and IV**”). In this connection, on 29 July 2026, the Group entered into:

- (i) the 2026 Second China State Shipbuilding Contracts with Shanghai Waigaoqiao and CSTC, members of the China State Shipbuilding Group, in relation to the construction of ten 210,000 DWT bulk carriers in aggregate (the “**Target Vessels III**”) at an aggregate contract price of approximately RMB5,280 million, exclusive of tax; and
- (ii) the 2026 Xiamen Xiangyu Shipbuilding Contracts (collectively with the 2026 Second China State Shipbuilding Contracts, the “**2026 Second Shipbuilding Contracts**”) with Nantong Xiangyu and Xiamen STC, members of the Xiamen Xiangyu Group, in relation to the construction of five 210,000 DWT bulk carriers in aggregate (the “**Target Vessels IV**”) at an aggregate contract price of approximately RMB2,640 million, exclusive of tax.

2026 SECOND VESSEL LEASING ARRANGEMENTS

On the same date, the Board considered and approved that, upon delivery of the relevant Target Vessels III and IV, the Group, as owner/lessor, will provide leasing services to Wai Fung Shipping Limited, as charterer/lessee, in relation to the Target Vessels III and IV to be built under the 2026 Second Shipbuilding Contracts. The lease period of each vessel will be 20 years $\pm$ 120 days commencing from the delivery date of the relevant vessels.

The 2026 Second Vessel Leasing Arrangements will be specific agreements under the Master Operating Lease Services Agreement and/or its successor framework agreement(s) to be renewed by the parties, as applicable. The transactions under the 2026 Second Vessel Leasing Arrangements will be conducted within the applicable annual caps approved or to be approved by the Independent Shareholders under the Master Operating Lease Services Agreement and/or its successor framework agreement(s). To the extent the transactions under the 2026 Second Vessel Leasing Arrangements are conducted under any successor framework agreement(s), such transactions shall be conditional upon compliance with the relevant requirements under the Listing Rules in respect of such successor framework agreement(s) and the applicable annual caps.

IMPLICATIONS UNDER THE LISTING RULES

2026 Second China State Shipbuilding Contracts

We refer to the announcement (the “**30 June Announcement**”) of the Company dated 30 June 2026 in relation to the acquisition of nine vessels (the “**Target Vessels II**”) under construction through the 2026 China State Shipbuilding Contracts from the China State Shipbuilding Group. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the 30 June Announcement.

The 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder, on a standalone basis, constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules. Pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the 2026 Second China State Shipbuilding Contracts should be aggregated with the acquisition of the Target Vessels II, as they are similar in nature and all involve the acquisition of cargo vessels by the Group from China State Shipbuilding Group, and the 2026 China State Shipbuilding Contracts (as defined in the 30 June Announcement) and the 2026 Second China State Shipbuilding Contracts were entered into within a 12-month period.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder, when aggregated with the acquisition of the Target Vessels II, exceed 25% but are all less than 100%, the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder constitute major transactions of the Company and are subject to the reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

2026 Xiamen Xiangyu Shipbuilding Contracts

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the 2026 Xiamen Xiangyu Shipbuilding Contracts and the transactions contemplated thereunder exceed 5% but are all less than 25%, the 2026 Xiamen Xiangyu Shipbuilding Contracts and the transactions contemplated thereunder constitute discloseable transactions of the Company which are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

2026 Second Vessel Leasing Arrangements

As at the date of this announcement, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 6,123,503,998 A Shares and 100,944,000 H Shares, representing approximately 47.40% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling Shareholder and therefore a connected person of the Company. COSCO SHIPPING Bulk is a wholly-owned subsidiary of COSCO SHIPPING, and members of COSCO SHIPPING Bulk Group (including Wai Fung Shipping Limited) therefore constitute connected persons of the Company under Chapter 14A of the Listing Rules. The 2026 Second Vessel Leasing Arrangements constitute continuing connected transactions of the Company. The transactions are expected to be conducted under the Master Operating Lease Services Agreement and/or its successor framework agreement(s), as applicable, and within the applicable annual caps approved or to be approved by the Independent Shareholders. To the extent the transactions under the 2026 Second Vessel Leasing Arrangements are conducted under any successor framework agreement(s), such transactions shall be conditional upon compliance with the relevant requirements under the Listing Rules in respect of such successor framework agreement(s) and the applicable annual caps.

EGM AND DELAY IN DESPATCH OF CIRCULAR

The EGM will be convened for the Shareholders to consider and, if thought fit, approve, among other things, the 2026 Second China State Shipbuilding Contracts, and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the transactions under the 2026 Second Shipbuilding Contracts; and (ii) a notice convening the EGM will be despatched to the Shareholders.

We refer to the 30 June Announcement in relation to, among others, the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder. As the Company intends to submit the transactions under the 2026 Heavy Industry Shipbuilding Contracts to the Independent Shareholders for consideration and approval at the same EGM, additional time is required to prepare and finalise the relevant information for inclusion in the circular.

Accordingly, it is expected that the despatch date of the circular containing, among other things, further details of (i) the transactions under the 2026 Heavy Industry Shipbuilding Contracts and (ii) the transactions under the 2026 Second China State Shipbuilding Contracts will be postponed to a date on or before 12 August 2026.

INTRODUCTION

The Board is pleased to announce that the Group proposes to acquire 15 vessels in aggregate, i.e. Target Vessels III and IV. In this connection, on 29 July 2026, the Group entered into:

- (i) the 2026 Second China State Shipbuilding Contracts with Shanghai Waigaoqiao and CSTC, members of the China State Shipbuilding Group, in relation to the construction of ten 210,000 DWT bulk carriers in aggregate, i.e. Target Vessels III, at an aggregate contract price of approximately RMB5,280 million, exclusive of tax; and
- (ii) the 2026 Xiamen Xiangyu Shipbuilding Contracts with Nantong Xiangyu and Xiamen STC, members of the Xiamen Xiangyu Group, in relation to the construction of five 210,000 DWT bulk carriers in aggregate, i.e. Target Vessels IV, at an aggregate contract price of approximately RMB2,640 million, exclusive of tax.

On the same date, the Board considered and approved that, upon delivery of the relevant Target Vessels III and IV, the Group, as owner/lessor, will provide leasing services to Wai Fung Shipping Limited, as charterer/lessee, in relation to the Target Vessels III and IV to be built under the 2026 Second Shipbuilding Contracts. The lease period of each vessel will be 20 years $\pm$ 120 days commencing from the delivery date of the relevant Target Vessels III and IV.

2026 Second Shipbuilding Contracts

The principal terms of the 2026 Second Shipbuilding Contracts, i.e. 2026 Second China State Shipbuilding Contracts and 2026 Xiamen Xiangyu Shipbuilding Contracts, and the transactions thereunder are as follows:

Date: 29 July 2026

Parties: **2026 Second China State Shipbuilding Contracts**

In respect of the ten 210,000 DWT bulk carriers, the parties under the 2026 Second China State Shipbuilding Contracts are Hainan COSCO SHIPPING Development Ocean Transport as buyer, and Shanghai Waigaoqiao and CSTC collectively as sellers.

2026 Xiamen Xiangyu Shipbuilding Contracts

In respect of the five 210,000 DWT bulk carriers, the parties under the 2026 Xiamen Xiangyu Shipbuilding Contracts are Hainan COSCO SHIPPING Development Ocean Transport as buyer, and Nantong Xiangyu and Xiamen STC collectively as sellers.

Subject matters:	Pursuant to the 2026 Second Shipbuilding Contracts, the relevant seller agrees to design, build, launch, equip and complete at its shipyard and to sell and deliver to the buyer, and the buyer agrees to purchase and take delivery of, the Target Vessels III and IV: (i) ten 210,000 DWT bulk carriers to be constructed by Shanghai Waigaoqiao, which are expected to be delivered between June 2030 and December 2030; and (ii) five 210,000 DWT bulk carriers to be constructed by Nantong Xiangyu, which are expected to be delivered between May 2030 and December 2030, subject to the arrangements for delay in delivery as provided in the respective contracts.
Contract price and payment:	2026 Second China State Shipbuilding Contracts The aggregate contract price for the Target Vessels III to be built under the 2026 Second China State Shipbuilding Contracts shall be approximately RMB5,280 million, exclusive of tax, for the ten 210,000 DWT bulk carriers, representing approximately RMB528 million, exclusive of tax, per vessel, subject to adjustments in accordance with the terms of the respective contracts. 2026 Xiamen Xiangyu Shipbuilding Contracts The aggregate contract price for the Target Vessels IV to be built under the 2026 Xiamen Xiangyu Shipbuilding Contracts shall be approximately RMB2,640 million, exclusive of tax, for the five 210,000 DWT bulk carriers, representing approximately RMB528 million, exclusive of tax, per vessel, subject to adjustments in accordance with the terms of the respective contracts.
Basis of consideration:	The abovementioned contract prices were determined after arm's length negotiations between the Group and the relevant shipbuilders with reference to factors such as the market price of the same or comparable type of vessels, vessel specifications, expected delivery schedule, and prevailing shipbuilding market conditions.

In particular, in respect of the Target Vessels III and IV, quotations have been obtained on the same specifications from three shipbuilders. The final quotations submitted by Shanghai Waigaoqiao and Nantong Xiangyu were the same and were both lower than the quotation submitted by the other shipbuilder. Accordingly, Shanghai Waigaoqiao and Nantong Xiangyu were selected as the shipbuilders for the Target Vessels III and the Target Vessels IV, respectively.

Payment schedule:

The contract price of the vessels under the 2026 Second Shipbuilding Contracts shall be payable in five instalments based on progress intervals on the construction of each vessel, with smaller proportion of the contract price payable in the first four instalments and the majority of the payment payable in the fifth instalment upon delivery of the respective vessels.

Funding:

The investment in the Target Vessels III and IV will be funded by internal resources of the Group as to approximately 25%, and the remaining amount will be funded by financing funds, including bank borrowings and external debt financing.

Adjustment to contract price:

The contract price payable under the 2026 Second Shipbuilding Contracts is subject to downward adjustments, or the buyer shall be entitled to reject the relevant vessel(s) and rescind the respective 2026 Second Shipbuilding Contract(s), in the event that: (i) the construction elements of the relevant vessel(s), being its speed, DWT and fuel consumption rate, fail to meet certain agreed standards under the respective 2026 Second Shipbuilding Contract(s); or (ii) the delay in delivery of the relevant vessel(s) exceeds certain agreed time limits under the respective 2026 Second Shipbuilding Contracts.

Downward adjustments will be made to the contract price payable through deduction of liquidated damages from the fifth instalment of the contract price payable under the respective 2026 Second Shipbuilding Contracts, at the time of delivery of the relevant vessel if the construction elements of the vessel or the delivery date fail to meet the following agreed standards pursuant to the respective 2026 Second Shipbuilding Contracts, including

- (i) Speed: actual trial speed of the vessel after correction is not lower than the guaranteed speed by certain agreed range in knot;
- (ii) DWT: actual DWT of the vessel at the time of delivery is within the range of the agreed permissible difference in metric tons;

- (iii) Fuel consumption rate: fuel consumption rate of the main engine measured during the vessel's shop trial is within the agreed range of permissible deviation percentage; and
- (iv) Delivery date: actual delivery date of the vessel does not exceed the agreed grace period.

The amount of liquidated damages is determined after arm's length negotiation between the parties with reference to the extent of deviation from the relevant technical specifications in respect of the relevant construction elements, the extent of delay and previous practice of downward adjustments for construction of similar types of vessels.

In the event that the buyer rejects the vessel(s) and rescinds the relevant 2026 Second Shipbuilding Contracts, the seller shall refund the full amount of all sums already paid by the relevant buyer under the relevant 2026 Second Shipbuilding Contracts, together with accrued interest.

Supervision and inspection:

The buyer shall appoint in good time and maintain at the relevant shipyard, at its own cost and expense, one or more representative(s) to supervise and survey the construction of the vessels.

Modifications:

The specifications and plans in accordance with which the Target Vessels III and IV are constructed may be modified and/or changed at any time after the date of the relevant 2026 Second Shipbuilding Contracts in writing by the parties thereto, provided that such modifications and/or changes or an accumulation thereof will not, according to the reasonable judgment of Shanghai Waigaoqiao or Nantong Xiangyu, as the case may be, adversely affect its other commitments; and provided further that Hainan COSCO SHIPPING Development Ocean Transport shall assent to adjustment of the contract price, time of delivery of the vessel and other terms of the 2026 Second Shipbuilding Contracts, if any.

Effective Date:

2026 Second China State Shipbuilding Contracts

Each of the 2026 Second China State Shipbuilding Contracts shall become effective upon (i) the due signing and execution of the relevant 2026 Second China State Shipbuilding Contract and the relevant specifications; and (ii) the approval at the general meeting of the Company.

2026 Xiamen Xiangyu Shipbuilding Contracts

Each of the 2026 Xiamen Xiangyu Shipbuilding Contracts shall become effective upon the due signing by the parties thereto.

2026 SECOND VESSEL LEASING ARRANGEMENTS

The principal terms of the 2026 Second Vessel Leasing Arrangements are proposed as follows:

Parties:	In respect of the Target Vessels III and IV, Hainan COSCO SHIPPING Development Ocean Transport shall be the owner/lessor, while Wai Fung Shipping Limited shall be the charterer/lessee.
Subject matter:	Pursuant to the 2026 Second Vessel Leasing Arrangements, Hainan COSCO SHIPPING Development Ocean Transport shall provide vessel leasing services to Wai Fung Shipping Limited in relation to the Target Vessels III and IV.
Lease arrangements and period:	Pursuant to the 2026 Second Vessel Leasing Arrangements, the lease period of each vessel shall be 20 years $\pm$ 120 days commencing from the date of delivery of the relevant vessel and the Target Vessels III and IV will be leased under time charter arrangements. Upon expiration of the lease period of each Target Vessel, such vessel shall be returned to the Group.
Pricing terms and policies:	The pricing terms for vessel leasing services to be provided by the Group 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 and/or its successor framework agreement(s), as applicable. 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.

Rental amount

No transaction amount is expected to be incurred for each of the four years ending 31 December 2029 as the relevant Target Vessels III and IV are expected to be delivered in 2030.

The expected maximum annual rent payable to the Group for each 210,000 DWT bulk carrier will be approximately RMB59.40 million, exclusive of tax, based on the fixed daily rent of the relevant type of vessels, taking into account the fuel power modification and upgrade of the vessels.

The Annual Caps II for the vessel leasing services under the 2026 Second Vessel Leasing Arrangements payable to the Group are as follows:

	Year ending 31 December 2030	Each of the years ending 31 December 2031 to 2049	Year ending 31 December 2050	Year ending 31 December 2051
Proposed Annual Caps II	RMB540.0 million	RMB900.0 million	RMB810.0 million	RMB360.0 million

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

- (i) the expected aggregate annual rent of the Target Vessels III and IV under lease under the 2026 Second Vessel Leasing Arrangements, 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 the Target Vessels III and IV;
- (iii) expected rent adjustment after delivery of the Target Vessels III and IV in light of equipment upgrades, modifications and structural optimization of the Target Vessels III and IV, as requested by the lessee to meet international conventions and environmental requirements upgrades; and
- (iv) the expected delivery schedule of the Target Vessels III and IV, taking into account possible early delivery or delay in delivery of the Target Vessels III and IV.

The aforementioned expected rent adjustments mainly considered the investment amount involved in additional equipment and upgrades, the estimated additional value created for the 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 Second Vessel Leasing Arrangements will be specific agreements under the Master Operating Lease Services Agreement and/or its successor framework agreement(s) to be renewed by the parties, as applicable. The transactions under the 2026 Second Vessel Leasing Arrangements will be conducted within the applicable annual caps approved or to be approved by the Independent Shareholders under the Master Operating Lease Services Agreement and/or its successor framework agreement(s). To the extent the transactions under the 2026 Second Vessel Leasing Arrangements are conducted under any successor framework agreement(s), such transactions shall be conditional upon compliance with the relevant requirements under the Listing Rules in respect of such successor framework agreement(s) and the applicable annual caps. 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.

Independent Financial Adviser's opinion on the term

In assessing the reasons for the term of the 2026 Second Vessel Leasing Arrangements 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:

- (i) 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;
- (ii) 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;
- (iii) the purpose of the construction of Target Vessels III and IV under the 2026 Second China State Shipbuilding Contracts and the 2026 Xiamen Xiangyu Shipbuilding Contracts respectively are for subsequent leasing of the Target Vessels III and IV which is a core development of the principal business of the Company and for aligning the aforementioned development strategies of the Company; and
- (iv) 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 III and IV 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 Second Vessel Leasing Arrangements 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 July 2025 to 30 June 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 six 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
30 June 2026	CSSC (Hong Kong) Shipping Company Limited	3877	Very Large Ammonia Carrier	120 months
26 May 2026	COSCO SHIPPING Energy Transportation Co., Ltd	1138	Large gas carrier	20 years
27 April 2026	SITC International Holdings Company Limited	1308	Container ship	15 years
4 March 2026	CSSC (Hong Kong) Shipping Company Limited	3877	Feeder container	120 months
30 October 2025	COSCO SHIPPING Energy Transportation Co., Ltd	1138	VLCC crude oil tanker	240 months
16 October 2025	Seacon Shipping Group Holdings Limited	2409	Bulk carrier	180 months

As shown in the table above, it is not uncommon for ships leasing transactions to carry long lease terms, in particular the duration of lease for two transactions entered into by COSCO SHIPPING Energy Transportation Co., Ltd during the Review Period were both up to 20 years (240 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 Second Vessel Leasing Arrangements are longer than the average lease duration 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 20 years.

REASONS FOR AND BENEFITS OF THE 2026 SECOND SHIPBUILDING CONTRACTS AND THE 2026 SECOND VESSEL LEASING ARRANGEMENTS

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 relevant Target Vessels III and IV, COSCO SHIPPING Bulk Group will charter-in the Target Vessels III and IV from the Group under the 2026 Second Vessel Leasing Arrangements. The pricing terms under the 2026 Second Vessel Leasing Arrangements shall be determined in accordance with the general pricing principles and price determination procedures under the Master Operating Lease Services Agreement and/or its successor framework agreement(s), as applicable. The transactions contemplated under the 2026 Second Shipbuilding Contracts, and the subsequent leasing of the Target Vessels III and IV by the Group to COSCO SHIPPING Bulk Group, i.e. the 2026 Second Vessel Leasing Arrangements, are part and parcel of the overall operating lease arrangements between the Group and 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 2026 Second Shipbuilding Contracts and the 2026 Second Vessel Leasing Arrangements, the Company will further leverage the synergy between industry and finance, expand the scale and improve the quality of the Company's ship assets, optimize the Company's large bulk carrier asset portfolio, strengthen the foundation of the development of its vessel leasing business, contribute to stable long-term income and cash flow, enhance its overall financial soundness and reinforce its long-term development momentum. 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 consider that the 2026 Second Shipbuilding Contracts, the 2026 Second Vessel Leasing Arrangements 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 2026 Second Shipbuilding Contracts and the 2026 Second Vessel Leasing Arrangements (and the proposed annual caps thereunder) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

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.

Hainan COSCO SHIPPING Development Ocean Transport is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in vessel leasing and vessel operation.

Information on the China State Shipbuilding Group and the sellers/builders

Shanghai Waigaoqiao is a subsidiary of China State Shipbuilding Corporation, which is in turn wholly-owned by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. They are principally engaged in the shipbuilding business.

China Shipbuilding Trading is a company established in the PRC with limited liability and is a wholly-owned subsidiary of China State Shipbuilding Corporation. It is principally engaged in import and export of goods, technology, and export agency; technology development, promotion, transfer, technical consultancy and services; and research and development, design and leasing of vessels.

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

Information on the Xiamen Xiangyu Group and the sellers/builders

Nantong Xiangyu is a company established in the PRC with limited liability and is a subsidiary of Xiamen Xiangyu, whose A shares are listed on the Shanghai Stock Exchange (stock code: 600057). It is principally engaged in building bulk carriers, oil tankers, container ships, small and medium-sized chemical tankers and other engineering ships.

Xiamen STC is a company established in the PRC with limited liability and is a subsidiary of Xiamen Xiangyu. It is principally engaged in vessel holding.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Nantong Xiangyu, Xiamen STC and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Information on COSCO SHIPPING Bulk Group

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.

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.

IMPLICATIONS UNDER THE LISTING RULES

2026 Second China State Shipbuilding Contracts

We refer to the 30 June Announcement in relation to the acquisition of Target Vessels II under construction through the 2026 China State Shipbuilding Contracts from the China State Shipbuilding Group. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the 30 June Announcement.

The 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder, on a standalone basis, constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules. Pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the 2026 Second China State Shipbuilding Contracts should be aggregated with the acquisition of the Target Vessels II, as they are similar in nature and all involve the acquisition of cargo vessels by the Group from China State Shipbuilding Group, and the 2026 China State Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts were entered into within a 12-month period.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder, when aggregated with the acquisition of the Target Vessels II, exceed 25% but are all less than 100%, the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder constitute major transactions of the Company and are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

None of the Directors has a material interest in the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder. Therefore, no Director is required to abstain from voting on the Board resolutions approving the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder.

2026 Xiamen Xiangyu Shipbuilding Contracts

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the 2026 Xiamen Xiangyu Shipbuilding Contracts and the transactions contemplated thereunder exceed 5% but are all less than 25%, the 2026 Xiamen Xiangyu Shipbuilding Contracts and the transactions contemplated thereunder constitute discloseable transactions of the Company which are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

None of the Directors has a material interest in the 2026 Xiamen Xiangyu Shipbuilding Contracts and the transactions contemplated thereunder. Therefore, no Director is required to abstain from voting on the Board resolutions approving the 2026 Xiamen Xiangyu Shipbuilding Contracts and the transactions contemplated thereunder.

2026 Second Vessel Leasing Arrangements

As at the date of this announcement, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 6,123,503,998 A Shares and 100,944,000 H Shares, representing approximately 47.40% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling Shareholder and therefore a connected person of the Company. COSCO SHIPPING Bulk is a wholly-owned subsidiary of COSCO SHIPPING, a controlling Shareholder, and members of COSCO SHIPPING Bulk Group (including Wai Fung Shipping Limited) therefore constitute connected persons of the Company under Chapter 14A of the Listing Rules. The 2026 Second Vessel Leasing Arrangements constitute continuing connected transactions of the Company. The transactions are expected to be conducted under the Master Operating Lease Services Agreement and/or its successor framework agreement(s), as applicable, and within the applicable annual caps approved or to be approved by the Independent Shareholders. To the extent the transactions under the 2026 Second Vessel Leasing Arrangements are conducted under any successor framework agreement(s), such transactions shall be conditional upon compliance with the relevant requirements under the Listing Rules in respect of such successor framework agreement(s) and the applicable annual caps.

Since the initial term under the 2026 Second Vessel Leasing Arrangements exceeds three years, pursuant to Rule 14A.52 of the Listing Rules, an independent financial adviser is required to explain why the 2026 Second Vessel Leasing Arrangements 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 has expressed its opinion in this regard in the section headed “2026 Second Vessel Leasing Arrangements – Independent Financial Adviser’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 recommended by China Shipping to the Board, have abstained from voting on the relevant Board resolution approving the 2026 Second Vessel Leasing Arrangements and the transactions contemplated thereunder. Save as aforementioned, none of the other Directors has a material interest in the 2026 Second Vessel Leasing Arrangements and the transactions contemplated thereunder. Therefore, no other Director has abstained from voting on such Board resolution.

EGM AND DELAY IN DESPATCH OF CIRCULAR

The EGM will be convened for the Shareholders to consider and, if thought fit, approve, among other things, the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the transactions under the 2026 Second Shipbuilding Contracts; and (ii) a notice convening the EGM will be despatched to the Shareholders.

We refer to the 30 June Announcement in relation to, among others, the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder. As the Company intends to submit the transactions under the 2026 Heavy Industry Shipbuilding Contracts to the Independent Shareholders for consideration and approval at the same EGM, additional time is required to prepare and finalise the relevant information for inclusion in the circular.

Accordingly, it is expected that the despatch date of the circular containing, among other things, further details of (i) the transactions under the 2026 Heavy Industry Shipbuilding Contracts and (ii) the transactions under the 2026 Second China State Shipbuilding Contracts will be postponed to a date on or before 12 August 2026.

DEFINITIONS

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

“2026 China State Shipbuilding Contracts”	the shipbuilding contracts dated 30 June 2026 entered into between, among others, (i) Hainan COSCO SHIPPING Development Ocean Transport as buyer, CSSC Chengxi and CSTC as sellers; (ii) Hainan COSCO SHIPPING Development Ocean Transport as buyer, CSSC Dalian and CSTC as sellers; and (iii) Oriental Fleet SHIPPING 11 Limited as buyer, CSSC Qingdao and CSTC as sellers, in relation to the construction of nine vessels in aggregate, details of which are set out in the announcement of the Company dated 30 June 2026
“2026 Second China State Shipbuilding Contracts”	the shipbuilding contracts dated 29 July 2026 entered into between Hainan COSCO SHIPPING Development Ocean Transport as buyer, and Shanghai Waigaoqiao and CSTC collectively as sellers, in relation to the construction of the Target Vessels III, details of which are set out in this announcement
“2026 Second Shipbuilding Contracts”	the 2026 Second China State Shipbuilding Contracts and the 2026 Xiamen Xiangyu Shipbuilding Contracts
“2026 Second Vessel Leasing Arrangements”	the proposed vessel leasing arrangements between the Group, as owner/lessor, and Wai Fung Shipping Limited, as charterer/lessee, in relation to the Target Vessels III and IV, details of which are set out in this announcement
“2026 Xiamen Xiangyu Shipbuilding Contracts”	the shipbuilding contracts dated 29 July 2026 entered into between Hainan COSCO SHIPPING Development Ocean Transport as buyer, and Nantong Xiangyu and Xiamen STC collectively as sellers, in relation to the construction of the Target Vessels IV, details of which are set out in this announcement
“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

“Annual Caps II”	the proposed annual caps for the vessel leasing services under the 2026 Second Vessel Leasing Arrangements payable to the Group, details of which are set out in the section headed “2026 Second Vessel Leasing Arrangements – Rental amount” in this announcement
“Board”	the board of Directors
“China Shipbuilding Trading” or “CSTC”	China Shipbuilding Trading Co., Ltd.# (中國船舶工業貿易有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of China State Shipbuilding Corporation
“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
“China State Shipbuilding Corporation”	China State Shipbuilding Corporation Limited# (中國船舶集團有限公司), a PRC state-owned enterprise
“China State Shipbuilding Group”	China State Shipbuilding Corporation and its subsidiaries, where applicable
“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
“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, where applicable

“COSCO SHIPPING Group”	COSCO SHIPPING, its subsidiaries and/or its associates (excluding the Group), where applicable
“Director(s)”	director(s) of the Company
“DWT”	deadweight tonnage, a standard unit of measurement of the maximum weight a ship can carry
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the 2026 Second China State Shipbuilding Contracts, and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries, where applicable
“H Share(s)”	the overseas listed foreign share(s) 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
“Hainan COSCO SHIPPING Development Ocean Transport”	Hainan COSCO SHIPPING Development Ocean Transport Company Limited# (海南中遠海發海運有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 the independent financial adviser appointed to explain as to why the 2026 Second Vessel Leasing Arrangements 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
“Independent Shareholders”	the Shareholders other than COSCO SHIPPING and its associates

“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“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 at the extraordinary general meeting of the Company dated 15 December 2025
“Nantong Xiangyu”	Nantong Xiangyu Shipbuilding and Offshore Engineering Co., Ltd. [#] (南通象嶼海洋裝備股份有限公司), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Waigaoqiao”	Shanghai Waigaoqiao Shipbuilding Co., Ltd. [#] (上海外高橋造船有限公司), a company established in the PRC with limited liability and a subsidiary of China State Shipbuilding Corporation
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Target Vessels III and IV”	the Target Vessels III and the Target Vessels IV
“Target Vessels III”	the ten 210,000 DWT bulk carriers to be built under the 2026 Second China State Shipbuilding Contracts
“Target Vessels IV”	the five 210,000 DWT bulk carriers to be built under the 2026 Xiamen Xiangyu Shipbuilding Contracts
“Xiamen STC”	Xiamen XMXYG Shipbuilding Trading Co., Ltd. [#] (廈門象嶼船舶貿易有限責任公司), a company established in the PRC with limited liability

“Xiamen Xiangyu”	Xiamen Xiangyu Co., Ltd. [#] (廈門象嶼股份有限公司), a joint stock company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 600057)
“Xiamen Xiangyu Group”	Xiamen Xiangyu and its subsidiaries, where applicable
“%”	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 PRC
29 July 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.