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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 AND CONNECTED TRANSACTIONS
2026 HEAVY INDUSTRY SHIPBUILDING CONTRACTS
(2) MAJOR TRANSACTIONS
2026 SECOND CHINA STATE SHIPBUILDING CONTRACTS
(3) PROPOSED REVISION TO THE ISSUANCE PLAN OF
DEBT FINANCING INSTRUMENTS
(4) PROPOSED APPLICATION FOR REGISTRATION AND
ISSUANCE OF CORPORATE BONDS
(5) NOTICE OF THE EGM

Independent Financial Adviser to the Independent Board Committee and
Independent Shareholders

MESSIS 大有融資

Capitalised terms used in this cover shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 6 to 34 of this circular and the letter from the Independent Board Committee is set out on pages 35 to 36 of this circular. A letter from Messis Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 37 to 48 of this circular.

A notice convening the EGM to be held at 1:30 p.m. on Monday, 31 August 2026 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC is set out on pages EGM-1 to EGM-3 of this circular. For the avoidance of doubt and for the purpose of the Listing Rules, holders of treasury Shares (if any) shall abstain from voting at the EGM.

* *The Company is a registered non-Hong Kong company as defined in 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."*

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DEFINITIONS

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

“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 the Target Vessels II, details of which are set out in this circular
“2026 Heavy Industry Shipbuilding Contracts”	the shipbuilding contracts dated 30 June 2026 entered into between Hainan COSCO SHIPPING Development Ocean Transport as buyer and Dalian Heavy Industry as seller/builder in relation to the construction of the Target Vessels I, details of which are set out in this circular
“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 circular
“2026 Second Vessel Leasing Arrangements I”	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, details of which are set out in this circular and the 29 July Announcement
“2026 Shipbuilding Contracts”	the 2026 Heavy Industry Shipbuilding Contracts and the 2026 China State Shipbuilding Contracts
“2026 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 I and II, details of which are set out in this circular and the 30 June Announcement, including the 2026 Vessel Leasing Arrangements I
“2026 Vessel Leasing Arrangements I”	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 I, details of which are set out in this circular and the 30 June Announcement

DEFINITIONS

“29 July Announcement”	the announcement of the Company dated 29 July 2026, in relation to, among other things, the 2026 Second China State Shipbuilding Contracts
“30 June Announcement”	the announcement of the Company dated 30 June 2026, in relation to, among other things, the 2026 Heavy Industry Shipbuilding Contracts
“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 I”	the proposed annual caps for the vessel leasing services under the 2026 Vessel Leasing Arrangements I payable to the Group, details of which are set out in the section headed “2026 Vessel Leasing Arrangements I – Rental amount” in this circular
“Annual Caps II”	the proposed annual caps for the vessel leasing services under the 2026 Second Vessel Leasing Arrangements I payable to the Group, details of which are set out in the section headed “2026 Second Vessel Leasing Arrangements I — Rental amount” in this circular
“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

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“Computershare”	Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company
“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
“CSSC Chengxi”	CSSC Chengxi Shipyard Co., Ltd. [#] (中船澄西船舶修造有限公司), a company established in the PRC with limited liability and a subsidiary of China State Shipbuilding Corporation
“CSSC Dalian”	Dalian Shipbuilding Industry Co., Ltd. [#] (大連船舶重工集團有限公司), a company established in the PRC with limited liability and a subsidiary of China State Shipbuilding Corporation
“CSSC Qingdao”	CSSC Qingdao Beihai Shipbuilding Co., Ltd. [#] (中國船舶集團青島北海造船有限公司), a company established in the PRC with limited liability and a subsidiary of China State Shipbuilding Corporation
“Dalian Heavy Industry”	Dalian COSCO SHIPPING Heavy Industry Co., Ltd. [#] (大連中遠海運重工有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
“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 at 1:30 p.m. on Monday, 31 August 2026 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC (or any adjournment thereof) to consider and, if thought fit, approve, the resolutions contained in the notice of EGM

DEFINITIONS

“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 Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder
“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 advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than COSCO SHIPPING and its associates and all other Shareholders who are involved in or interested in the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder
“Latest Practicable Date”	12 August 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Operating Lease Services Agreement”	the master operating lease services agreement dated 30 October 2025 entered into between the Company and COSCO SHIPPING in respect of the provision of operating lease services by the Group to the COSCO SHIPPING Group, and the purchase of operating lease services by the COSCO SHIPPING Group from the Group, as approved at the extraordinary general meeting of the Company dated 15 December 2025

DEFINITIONS

“PRC”	the People’s Republic of China
“Register of Members”	the register of H Shares members of the Company
“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”	the Target Vessels I, the Target Vessels II and the Target Vessels III
“Target Vessels I and II”	the Target Vessels I and the Target Vessels II
“Target Vessels I”	the fifteen 87,000 DWT multipurpose grain vessels to be built under the 2026 Heavy Industry Shipbuilding Contracts
“Target Vessels II”	the nine vessels to be built under the 2026 China State Shipbuilding Contracts, comprising five 87,000 DWT multipurpose grain vessels, two 211,000 DWT bulk carriers and two 210,000 DWT dry cargo vessels
“Target Vessels III”	the ten 210,000 DWT bulk carriers to be built under the 2026 Second China State Shipbuilding Contracts
“Waiver(s)”	has the meaning ascribed to it under this circular
“%”	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.

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For identification purpose only.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Zhang Mingwen (*Chairman*)
Mr. Wang Kunhui

Non-executive Directors:

Mr. Ip Sing Chi
Ms. Zhang Xueyan
Mr. Zheng Xiaozhe

Independent Non-executive Directors:

Mr. Shao Ruiqing
Mr. Chan Kwok Leung
Mr. Wu Daqi

Legal address in the PRC:

Room A-538
International Trade Center
Lin-gang Special Area of the Shanghai Pilot
Free Trade Zone
Shanghai
The PRC

Principal place of business in the PRC:

No.1 Building, Lane 1318 Shangcheng Road
Pudong New Area
Shanghai
The PRC

Principal place of business in Hong Kong:

51/F, COSCO Tower
183 Queen's Road Central
Hong Kong

14 August 2026

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR AND CONNECTED TRANSACTIONS
2026 HEAVY INDUSTRY SHIPBUILDING CONTRACTS
(2) MAJOR TRANSACTIONS
2026 SECOND CHINA STATE SHIPBUILDING CONTRACTS
(3) PROPOSED REVISION TO THE ISSUANCE PLAN OF
DEBT FINANCING INSTRUMENTS
(4) PROPOSED APPLICATION FOR REGISTRATION AND
ISSUANCE OF CORPORATE BONDS
(5) NOTICE OF THE EGM**

I. INTRODUCTION

Reference is made to the (i) 30 June Announcement, in relation to, among other things, the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, (ii) 29 July

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Announcement, in relation to, among other things, the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder, (iii) the announcement dated 29 July 2026, in relation to the proposed revision to the issuance plan of debt financing instruments, and (iv) the announcement dated 29 July 2026, in relation to the application for registration and issuance of corporate bonds.

The purpose of this circular is to provide you with, among other things, further details of (i) the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, (ii) the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder, and other information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the EGM.

The Group proposes to acquire the Target Vessels. Immediately after delivery of the Target Vessels, Wai Fung Shipping Limited will charter-in the Target Vessels from the Group pursuant to the 2026 Vessel Leasing Arrangements and 2026 Second Vessel Leasing Arrangements I.

In this connection, on 30 June 2026, the Group entered into:

- (i) the 2026 Heavy Industry Shipbuilding Contracts with Dalian Heavy Industry in relation to the construction of fifteen 87,000 DWT multipurpose grain vessels, i.e. Target Vessels I, at an aggregate contract price of approximately RMB4,785 million, exclusive of tax; and
- (ii) the 2026 China State Shipbuilding Contracts with China State Shipbuilding Group in relation to the construction of nine vessels in aggregate, i.e. Target Vessels II, at aggregate contract prices of approximately RMB3,871 million, exclusive of tax.

On 29 July 2026, the Group entered into:

- (i) the 2026 Second China State Shipbuilding Contracts with 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.

For details of the 2026 China State Shipbuilding Contracts and the 2026 Vessel Leasing Arrangements, please refer to the 30 June Announcement. For details of the 2026 Second Vessel Leasing Arrangements I, please refer to the 29 July Announcement.

In accordance with the Listing Rules, (i) the 2026 Heavy Industry Shipbuilding Contracts will be submitted for the Independent Shareholders' consideration and approval at the EGM by way of ordinary resolution, (ii) the 2026 Second China State Shipbuilding Contracts will be submitted for the Shareholders' consideration and approval at the EGM by way of ordinary resolution, (iii) the proposed revision to the issuance plan of debt financing instruments, and (iv) the proposed application for registration and issuance of corporate bonds will be submitted for the Shareholders' consideration and approval at the EGM by way of special resolutions, the details of which are set out below.

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II. 2026 HEAVY INDUSTRY SHIPBUILDING CONTRACTS

The principal terms of the 2026 Heavy Industry Shipbuilding Contracts and the transactions thereunder are as follows:

Date:	30 June 2026
Parties:	The parties under the 2026 Heavy Industry Shipbuilding Contracts are Hainan COSCO SHIPPING Development Ocean Transport as buyer and Dalian Heavy Industry as seller/builder.
Subject matters:	Pursuant to the 2026 Heavy Industry Shipbuilding Contracts, Dalian Heavy Industry agrees to design, build, launch, equip and complete at its shipyard and to sell and deliver to Hainan COSCO SHIPPING Development Ocean Transport, and Hainan COSCO SHIPPING Development Ocean Transport agrees to purchase and take delivery of, the Target Vessels I, being fifteen 87,000 DWT multipurpose grain vessels. Such vessels are expected to be delivered between June 2029 and December 2030, subject to the arrangements for delay in delivery as provided in the respective contracts.
Contract price and payment:	The aggregate contract price for the Target Vessels I to be built under the 2026 Heavy Industry Shipbuilding Contracts shall be approximately RMB4,785 million, exclusive of tax, for the fifteen 87,000 DWT multipurpose grain vessels, representing approximately RMB319 million, exclusive of tax, per vessel, subject to adjustments in accordance with the terms of the respective contracts. Each of Hainan COSCO SHIPPING Development Ocean Transport and Dalian Heavy Industry shall pay accrued interests applicable in the event that it fails to fulfil obligations under the relevant 2026 Heavy Industry Shipbuilding Contracts or upon the rescission thereof (as the case may be).
Basis of consideration:	The abovementioned contract prices were determined after arm's length negotiations between the relevant subsidiaries of the Company 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.

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In particular, in respect of the 87,000 DWT multipurpose grain vessels, quotations have been obtained on the same specifications from three shipbuilders, of which two others are independent shipbuilders. The quotations included, among other things, (i) the pricing terms; (ii) the expected time of delivery; and (iii) the payment schedule. As all three shipbuilders including Dalian Heavy Industry offered the same contract prices and payment schedules while Dalian Heavy Industry offered the earliest delivery time, the Directors consider that the terms offered by Dalian Heavy Industry are fair and reasonable and no less favourable to the Group than the terms offered by the other shipbuilders. Accordingly, Dalian Heavy Industry has been selected as the shipbuilder for the Target Vessels I.

Payment schedule:

The contract price of the vessels under the 2026 Heavy Industry 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 I 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 Heavy Industry Shipbuilding Contracts is subject to downward adjustments, or the relevant buyer shall be entitled to reject the relevant vessel(s) and rescind the respective 2026 Heavy Industry 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 Shipbuilding Contract(s); or (ii) the delay in delivery of the relevant vessel(s) exceeds certain agreed time limits under the respective 2026 Heavy Industry Shipbuilding Contracts.

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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 Heavy Industry 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 Heavy Industry 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. The price adjustment mechanism is included with an intention to protect the interests of the Group under 2026 Heavy Industry Shipbuilding Contracts.

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

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The maximum amount of liquidated damages for each vessel under the 2026 Heavy Industry Shipbuilding Contracts shall be approximately RMB9.07 million. As the price adjustment mechanism under the 2026 Heavy Industry Shipbuilding Contracts is similar to those adopted by the Group in respect of the procurement of other vessels, whether from COSCO SHIPPING Group or independent third parties, and in particular the maximum amount of liquidated damages under the 2026 Heavy Industry Shipbuilding Contracts is comparable to that under the shipbuilding contracts entered into with independent third parties in respect of the same type of vessels, the Directors consider that the downward adjustments are on normal commercial terms or better.

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 I are constructed may be modified and/or changed after the date of the relevant 2026 Heavy Industry Shipbuilding Contracts by agreement of the parties or otherwise in accordance with the procedures set out in the respective contracts, including changes required as a result of mandatory amendments to the applicable rules and regulations of China Classification Society or other authorised statutory authorities, and substitution of materials and/or equipment where the originally agreed materials and/or equipment cannot be procured in time for delivery, subject to the terms and conditions set out therein.

Effective Date:

Each of the 2026 Heavy Industry Shipbuilding Contracts shall become effective upon: (i) the due signing and execution of the relevant 2026 Heavy Industry Shipbuilding Contracts by the parties thereto; (ii) the approval by the respective internal approval authorities of the parties; and (iii) the approval at the general meeting of the Company.

The above conditions are not waivable by the parties.

As at the Latest Practicable Date, the conditions (i) and (ii) to the effectiveness of each of the 2026 Heavy Industry Shipbuilding Contracts have been fulfilled. Therefore, their effectiveness is still subject to the approval by the Independent Shareholders at the EGM.

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III. 2026 VESSEL LEASING ARRANGEMENTS I

On 30 June 2026, the Board considered and approved that, among others, upon delivery of the relevant Target Vessels I, the Group, as owner/lessor, will provide leasing services to Wai Fung Shipping Limited, as charterer/lessee, in relation to the Target Vessels I under the 2026 Heavy Industry 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 I.

The principal terms of the 2026 Vessel Leasing Arrangements I are set out below:

Parties:	The parties under the 2026 Vessel Leasing Arrangements I are proposed to be Hainan COSCO SHIPPING Development Ocean Transport as owner/lessor and Wai Fung Shipping Limited as charterer/lessee.
Subject matter:	Pursuant to the 2026 Vessel Leasing Arrangements I, Hainan COSCO SHIPPING Development Ocean Transport will provide vessel leasing services to Wai Fung Shipping Limited in respect of the Target Vessels I, being fifteen 87,000 DWT multipurpose grain vessels to be built under the 2026 Heavy Industry Shipbuilding Contracts.
Lease arrangements and period:	The lease period of each vessel shall be 20 years $\pm$ 120 days commencing from the date of delivery of the relevant vessel. The Target Vessels I will be leased under time charter arrangements. Upon expiration of the lease period of each 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.

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Pursuant to the Master Operating Lease Services Agreement, the prices for the provision of operating lease services shall be determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market price (being the price at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). The above market price is generally based on the historical quotations from independent third parties in the relevant time.

The rental amount per vessel under the 2026 Vessel Leasing Arrangements I was determined with reference to quotations obtained from three independent third-party service providers in respect of the provision of the same or similar type of services at the relevant time.

The Directors are of the view that the market price determined based on the historical quotations from independent third parties reflects the terms which are commonly based by market participants in their ordinary course of business in the relevant industry, reflects the fluctuation of supply and demand in the market to a certain extent, and is commercially reasonable and in line with the industry practice, and therefore the resulting market price is fair and reasonable and in the interests of the Company and the Shareholders. At the time of entering each implementation agreements for the specific transactions contemplated under the Master Operating Lease Services Agreement, the Group will also examine the pricing terms charged by the Group to all other independent third-party customer(s), if applicable, so as to ensure the price to be charged by the Group to COSCO SHIPPING would be no less favourable than that charged by the Group to independent third-party customers.

For further details, please refer to the paragraphs headed “2026 Vessel Leasing Arrangements I — Rental amount” below.

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Rental amount

No transaction amount is expected to be incurred for each of the three years ending 31 December 2028 as the relevant Target Vessels I are expected to be delivered from 2029 to 2030.

The expected maximum annual rent payable to the Group for each 87,000 DWT multipurpose grain vessel after delivery will be approximately RMB38.60 million, exclusive of tax, taking into account the fuel power modification and upgrade of the vessels.

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

	Each of/Year ending 31 December		Each of the years 31 December 2031 to 2048	Year ending 31 December 2049	Year ending 31 December 2050
	2029	2030			
Proposed Annual Caps I	RMB100.0 million	RMB450.0 million	RMB590.0 million	RMB490.0 million	RMB140.0 million

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

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

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.

LETTER FROM THE BOARD

IV. 2026 SECOND CHINA STATE SHIPBUILDING CONTRACTS

The principal terms of the 2026 Second China State Shipbuilding Contracts and the transactions thereunder are as follows:

Date:	29 July 2026
Parties:	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.
Subject matters:	Pursuant to the 2026 Second China State 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, being ten 210,000 DWT bulk carriers to be constructed by Shanghai Waigaoqiao. Such vessels are expected to be delivered between the June 2030 and December 2030, subject to the arrangements for delay in delivery as provided in the respective contracts.
Contract price and payment:	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. Each of Hainan COSCO SHIPPING Development Ocean Transport and the sellers shall pay accrued interests applicable in the event that it fails to fulfil obligations under the relevant 2026 Second China State Shipbuilding Contracts or upon the rescission thereof (as the case may be).
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.

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In particular, in respect of the Target Vessels III, quotations based on the same specifications were obtained from three shipbuilders, comprising Shanghai Waigaoqiao, one independent third-party shipbuilder and one member of COSCO SHIPPING Group. The final quotation submitted by Shanghai Waigaoqiao was the same as or lower than those submitted by the other two shipbuilders. Furthermore, having considered the key commercial terms, including shipbuilding capacity, vessel prices, delivery schedules, payment arrangements and shipbuilding experience, Shanghai Waigaoqiao, as a member of the China State Shipbuilding Group, was considered to be highly competitive and to possess overall advantages. Additionally, since members of the China State Shipbuilding Group had recently been appointed as builders of the vessels of the Company, the China State Shipbuilding Group is familiar with the respective specifications of the vessels to be acquired by the Company. Accordingly, Shanghai Waigaoqiao was selected as the shipbuilder for the Target Vessels III.

Payment schedule:

The contract price of the vessels under the 2026 Second China State 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 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 China State 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 China State 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 China State Shipbuilding Contract(s); or (ii) the delay in delivery of the relevant vessel(s) exceeds certain agreed time limits under the respective 2026 Second China State Shipbuilding Contracts.

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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 China State 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 China State 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. The price adjustment mechanism is included with an intention to protect the interests of the Group under 2026 Second China State Shipbuilding Contracts.

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

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The maximum amount of liquidated damages for each vessel under the 2026 Second China State Shipbuilding Contracts shall be approximately RMB9.07 million. As the price adjustment mechanism under the 2026 Second China State Shipbuilding Contracts is similar to those adopted by the Group in respect of the procurement of other vessels, whether from COSCO SHIPPING Group or independent third parties, and in particular the maximum amount of liquidated damages under the 2026 Second China State Shipbuilding Contracts is comparable to that under the shipbuilding contracts entered into with independent third parties in respect of the same type of vessels, the Directors consider that the downward adjustments are on normal commercial terms or better.

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 are constructed may be modified and/or changed at any time after the date of the relevant 2026 Second China State 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, 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 relevant 2026 Second China State Shipbuilding Contracts, if any.

Effective Date:

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.

The above conditions are not waivable by the parties.

As at the Latest Practicable Date, the condition (i) has been fulfilled. Therefore, their effectiveness is still subject to the approval by the Shareholders at the EGM.

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V. 2026 SECOND VESSEL LEASING ARRANGEMENTS I

On 29 July 2026, the Board considered and approved that, among others, upon delivery of the relevant Target Vessels III, the Group, as owner/lessor, will provide leasing services to Wai Fung Shipping Limited, as charterer/lessee, in relation to the Target Vessels III under the 2026 Second China State 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.

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

Parties:	The parties under the 2026 Second Vessel Leasing Arrangements I are proposed to be Hainan COSCO SHIPPING Development Ocean Transport as owner/lessor and Wai Fung Shipping Limited as charterer/lessee.
Subject matter:	Pursuant to the 2026 Second Vessel Leasing Arrangements I, Hainan COSCO SHIPPING Development Ocean Transport shall provide vessel leasing services to Wai Fung Shipping Limited in relation to the Target Vessels III.
Lease arrangements and period:	Pursuant to the 2026 Second Vessel Leasing Arrangements I, 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 will be leased under time charter arrangements. Upon expiration of the lease period of each 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.

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Pursuant to the Master Operating Lease Services Agreement, the prices for the provision of operating lease services shall be determined in accordance with the principles of fairness and reasonableness with reference to the corresponding market price (being the price at which the same or similar type of services are provided by independent third parties in the ordinary course of business in the same area and on normal commercial terms). The above market price is generally based on the historical quotations from independent third parties in the relevant time.

The rental amount per vessel under the 2026 Second Vessel Leasing Arrangements I was determined with reference to quotations obtained from three independent third-party service providers in respect of the provision of the same or similar type of services at the relevant time.

The Directors are of the view that the market price determined based on the historical quotations from independent third parties reflects the terms which are commonly based by market participants in their ordinary course of business in the relevant industry, reflects the fluctuation of supply and demand in the market to a certain extent, and is commercially reasonable and in line with the industry practice, and therefore the resulting market price is fair and reasonable and in the interests of the Company and the Shareholders. At the time of entering each implementation agreements for the specific transactions contemplated under the Master Operating Lease Services Agreement, the Group will also examine the pricing terms charged by the Group to all other independent third-party customer(s), if applicable, so as to ensure the price to be charged by the Group to COSCO SHIPPING would be no less favourable than that charged by the Group to independent third-party customers.

For further details, please refer to the paragraphs headed “2026 Second Vessel Leasing Arrangements I — Rental amount” below.

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 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.

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The Annual Caps II for the vessel leasing services under the 2026 Second Vessel Leasing Arrangements I 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	RMB360 million	RMB600 million	RMB540 million	RMB240 million

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

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

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.

VI. INTERNAL CONTROL PROCEDURES

The 2026 Vessel Leasing Arrangements I and the 2026 Second Vessel Leasing Arrangements I 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 Vessel Leasing Arrangements I and the 2026 Second Vessel Leasing Arrangements I 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 Vessel Leasing Arrangements I and the 2026 Second Vessel Leasing Arrangements I are conducted under any successor framework agreement(s), such transactions shall be

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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.

The 2026 Vessel Leasing Arrangements I and the 2026 Second Vessel Leasing Arrangements I will be specific agreements under the Master Operating Lease Services Agreement and/or its successor

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framework agreement(s) to be renewed by the parties, as applicable. The transactions under the 2026 Vessel Leasing Arrangements I and the 2026 Second Vessel Leasing Arrangements I 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 Vessel Leasing Arrangements I and the 2026 Second Vessel Leasing Arrangements I 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.

VII. REASONS FOR AND BENEFITS OF THE 2026 HEAVY INDUSTRY SHIPBUILDING CONTRACTS AND THE 2026 SECOND CHINA STATE SHIPBUILDING CONTRACTS

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 I and the Target Vessels III, COSCO SHIPPING Bulk Group will charter-in the Target Vessels I and the Target Vessels III from the Group under the 2026 Vessel Leasing Arrangements I and the 2026 Second Vessel Leasing Arrangements I, respectively. The pricing terms under the 2026 Vessel Leasing Arrangements I and the 2026 Second Vessel Leasing Arrangements I 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 Heavy Industry Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts, and the subsequent leasing of the Target Vessels I and the Target Vessels III by the Group to COSCO SHIPPING Bulk Group 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 Heavy Industry Shipbuilding Contracts, the 2026 Vessel Leasing Arrangements I, the 2026 Second China State Shipbuilding Contracts and the 2026 Second Vessel Leasing Arrangements I, 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.

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The Directors (including the independent non-executive Directors, whose view is also set out in the Letter from the Independent Board Committee of this circular) consider that (i) the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, and (ii) the 2026 Second China State Shipbuilding Contracts 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 (i) the 2026 Heavy Industry Shipbuilding Contracts and (ii) the 2026 Second China State Shipbuilding Contracts are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

VIII. FINANCIAL EFFECTS OF THE 2026 HEAVY INDUSTRY SHIPBUILDING CONTRACTS AND THE 2026 SECOND CHINA STATE SHIPBUILDING CONTRACTS

2026 Heavy Industry Shipbuilding Contracts

Based on a preliminary assessment, following completion of the 2026 Heavy Industry Shipbuilding Contracts and upon delivery of the vessels to be built under the 2026 Heavy Industry Shipbuilding Contracts, such vessels will be accounted for as the property, plant and equipment and recognised as one of the total assets in the consolidated financial statements of the Group based on their respective acquisition costs. Accordingly, the property, plant and equipment of the Group is expected to increase by approximately RMB4,785 million in aggregate, plus the corresponding capitalised interest, the amount of which will depend on the financing costs incurred during the construction of the Target Vessels I.

It is expected that there will not be any significant immediate effect on the net assets of the Group as the increase in property, plant and equipment will be offset by the decrease in cash (which will be around 25% of such purchase price) and the increase in liabilities due to the obtaining of bank borrowings and/or external debt financing (which will be around 75% of such purchase price) for the payment of the purchase price of the vessels, depending on the actual financing arrangement to settle the consideration. Based on the current financing arrangement, the liabilities are expected to increase by approximately RMB3,589 million.

As part of the contract price for the vessels under the 2026 Heavy Industry Shipbuilding Contracts is contemplated to be funded by bank borrowings and external debt financing, they may lead to an increase in the Company's debt-to-equity ratio; however, such impact is not expected to be material to the Group as the consideration will be payable in instalments tied to construction progress for each vessel. In addition, the Company will continue to focus on building up operational accumulations and optimize resource allocation to effectively manage its leverage.

The rent receivable by the Group in respect of the Target Vessels I under the 2026 Vessel Leasing Arrangements I will be accounted for as revenue in the consolidated financial statements of the Group. It is expected that the maximum annual income derived from the Target Vessels I after delivery will be no more than approximately RMB579.0 million, taking into account the expected rent adjustments as disclosed in this circular. The above estimates may differ from the actual financial effect of the relevant contracts.

2026 Second China State Shipbuilding Contracts

Based on a preliminary assessment, following completion of the 2026 Second China State Shipbuilding Contracts and upon delivery of the vessels to be built thereunder, such vessels will be accounted for as property, plant and equipment and recognised as part of the total assets in the consolidated financial statements of the Group based on their respective acquisition costs.

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Accordingly, the property, plant and equipment of the Group is expected to increase by approximately RMB5,280 million in aggregate, plus the corresponding capitalised interest, the amount of which will depend on the financing costs incurred during the construction of the Target Vessels III.

It is expected that there will not be any significant immediate effect on the net assets of the Group, as the increase in property, plant and equipment will be offset by the decrease in cash (which will be around 25% of such purchase price) and the increase in liabilities arising from bank borrowings and/or external debt financing (which will be around 75% of such purchase price) for the payment of the purchase price of the Target Vessels III, depending on the actual financing arrangements for the settlement of the consideration. Based on the current financing arrangements, the liabilities are expected to increase by approximately RMB3,960 million.

As part of the contract price for the Target Vessels III under the 2026 Second China State Shipbuilding Contracts is contemplated to be funded by bank borrowings and/or external debt financing, such financing may lead to an increase in the Company's debt-to-equity ratio. However, such impact is not expected to be material to the Group, as the consideration will be payable in instalments tied to the construction progress of each vessel. In addition, the Company will continue to focus on building up operational accumulations and optimising resource allocation to manage its leverage effectively.

The rent receivable by the Group in respect of the Target Vessels III under the 2026 Second Vessel Leasing Arrangements I will be accounted for as revenue in the consolidated financial statements of the Group. It is expected that the maximum annual income to be derived from the Target Vessels III after delivery will be no more than approximately RMB594.0 million, taking into account the expected rent adjustments as disclosed in this circular. The above estimates may differ from the actual financial effects of the relevant contracts.

The above analysis is for illustrative purposes only and does not represent the actual financial performance and position of the Company after completion of the transactions under the 2026 Heavy Industry Shipbuilding Contracts or the 2026 Second China State Shipbuilding Contracts, or during the term of the 2026 Vessel Leasing Arrangements I or the 2026 Second Vessel Leasing Arrangements I, which shall be subject to final audit by the auditors of the Group.

IX. INFORMATION ON THE GROUP AND 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.

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

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Information on Dalian Heavy Industry

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

Information on the China State Shipbuilding Group

Shanghai Waigaoqiao is a company established in the PRC with limited liability and 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). China CSSC Holdings Limited 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 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.

X. IMPLICATIONS UNDER THE LISTING RULES

2026 Heavy Industry Shipbuilding Contracts

As at the Latest Practicable Date, Dalian Heavy Industry is a wholly-owned subsidiary of COSCO SHIPPING, a controlling Shareholder, and therefore is a connected person of the Company under Chapter 14A of the Listing Rules.

We refer to the announcement of the Company dated 21 May 2026 in relation to the acquisition of ten bulk carriers under construction through the Assignment and Novation Agreements from COSCO SHIPPING Group (the “**Previous Acquisition**”). The 2026 Heavy Industry 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 Rules 14.22 and 14A.81 of the Listing Rules, the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder shall be aggregated with the Previous Acquisition, as they are both transactions with COSCO SHIPPING Group and were entered into within a 12-month period.

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As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, when aggregated with the Previous Acquisition, exceed 25% but are all less than 100%, the 2026 Heavy Industry 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, and also subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder. Save as aforementioned, none of the other Directors has a material interest in the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder. Therefore, no other Director has abstained from voting on such Board resolution.

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.

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.

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XI. WAIVERS FROM STRICT COMPLIANCE WITH RULE 14.66(10) AND RULE 14A.70(13) OF, AND PARAGRAPH 43(2)(C) OF APPENDIX D1B TO THE LISTING RULES

The Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, (i) a waiver from strict compliance with Rule 14.66(10), Rule 14A.70(13) of and paragraph 43(2)(c) of Appendix D1B to the Listing Rules, so that certain sensitive information may be redacted from the 2026 Heavy Industry Shipbuilding Contracts to be published on the websites of the Hong Kong Stock Exchange and the Company, and (ii) a waiver from strict compliance with Rule 14.66(10) of and paragraph 43(2)(c) of Appendix D1B to the Listing Rules, so that certain sensitive information may be redacted from the 2026 Second China State Shipbuilding Contracts to be published on the websites of the Hong Kong Stock Exchange and the Company (the **“Waivers”**). The Hong Kong Stock Exchange has granted the Waivers to the Company, which allows the Company to redact certain sensitive commercial information relating to (a) the technical details (including the detailed description and technical specifications) of the Target Vessels I and the Target Vessels III; (b) the details of the terms of payment, the mechanism for downward adjustment of contract price, liquidated damages, and interest rate applicable to calculation of the accrued interest in the event of failure of parties to fulfill contractual obligations or rescission of the 2026 Heavy Industry Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts; (c) the operational provisions related to the fulfilment of the obligations of the parties under the 2026 Heavy Industry Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts (collectively, the **“Sensitive Commercial Information”**); and (d) certain sensitive contact and personal information.

The Sensitive Commercial Information is highly and commercially sensitive and confidential to the parties to the 2026 Heavy Industry Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts, which, if disclosed, will (i) significantly prejudice the Group’s operation and commercial interests, (ii) adversely affect the Group’s commercial bargaining power, (iii) gravely undermine the competitiveness of the respective parties and (iv) undermine the interests of the Company and the Shareholders, including the Independent Shareholders, as a whole. The Sensitive Commercial Information is either highly technical or purely operational in the shipbuilding industry, and therefore is immaterial and not necessary for the Shareholders, including the Independent Shareholders, to make an informed assessment of the transactions contemplated under the 2026 Heavy Industry Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts.

Moreover, the buyer under the 2026 Heavy Industry Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts is contractually obligated to preserve the confidentiality of the terms thereof in particular by not disclosing such terms to any third party without explicit prior approval of the relevant sellers. In this regard, the Group has been strongly requested by the counterparties to the 2026 Heavy Industry Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts and for confidential treatment of the Sensitive Commercial Information. Further, the material terms under the 2026 Heavy Industry Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts have been summarized and disclosed in this circular, from which the Shareholders, including the Independent Shareholders, will be able to have sufficient information to assess, and make an informed decision as to how to vote for transactions under the 2026 Heavy Industry Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts, respectively.

In addition, the sensitive contact and personal information which constitutes “personal data” as defined under the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), is immaterial and not necessary to the decision of the Independent Shareholders in respect of the transactions under the 2026 Heavy Industry Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts.

LETTER FROM THE BOARD

Accordingly, only the redacted versions of each of the 2026 Heavy Industry Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts will be published by the Company on the websites of the Hong Kong Stock Exchange and the Company as documents on display, for a period of 14 days from the date of this circular.

XII. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder.

Messis Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder.

XIII. PROPOSED REVISION TO THE ISSUANCE PLAN OF DEBT FINANCING INSTRUMENTS

We refer to the circular of the 2024 annual general meeting dated 5 June 2025 (the “**2024 AGM Circular**”) and the announcement of the results of the 2024 annual general meeting dated 26 June 2025 (the “**2024 AGM Results Announcement**”) of the Company, in relation to, among others, the Company’s application to the National Association of Financial Market Institutional Investors for the registration of debt financing instruments (the “**Debt Financing Instruments**”) in accordance with the unified registration model, with no registration quota at the registration stage and an issuance balance of no more than RMB12.0 billion, including a revolving quota of RMB2.0 billion for ultra-short-term financing bonds and a quota of RMB10.0 billion for medium-term notes. Unless the context otherwise requires, capitalised terms used in this section shall have the same meanings as those defined in the 2024 AGM Circular and the 2024 AGM Results Announcement.

In order to meet the needs of the Company’s operation and development and align with the capital expenditure requirements of the Company’s vessel leasing projects, the board of directors of the Company proposes to adjust the issuance size of the Debt Financing Instruments by increasing the issuance quota of medium-term notes by RMB15.0 billion, and the issuance size of medium term notes after such proposed adjustment shall not exceed RMB25.0 billion (the “**Proposed Adjustment**”). The issuance size of ultra-short-term financing bonds shall remain unchanged.

Save for the Proposed Adjustment disclosed above, other key terms contained in the issuance plan, including term of issuance, use of proceeds, issuance method, offerees and underwriting method, shall remain unchanged and continue to follow the original issuance plan of the Debt Financing Instruments. All authorisations granted at the 2024 annual general meeting will remain valid and in full force and effect.

The aforementioned Proposed Adjustment was considered and approved by the Board on 29 July 2026 and will be submitted, by way of special resolution, for the Shareholders’ consideration and approval at the EGM.

LETTER FROM THE BOARD

XIV. PROPOSED APPLICATION FOR REGISTRATION AND ISSUANCE OF ISSUE CORPORATE BONDS

To meet the operational and development needs of the Company and further expand its financing channels, the Company proposes to apply to the Shanghai Stock Exchange and the China Securities Regulatory Commission (the “CSRC”) for registration and issuance of corporate bonds. The specific plan and relevant matters concerning the registration and issuance of corporate bonds are hereby announced as follows:

As disclosed in the announcement of the Company dated 29 July 2026, on the same date, the Board resolved to propose to the Shareholders at the EGM to authorise the Board to handle all matters in connection with the issuance of corporate bonds, in order to satisfy the needs of business development, optimize the debt structure and improve the efficiency of decision making of the Company.

In accordance with the Company Law of the People’s Republic of China (2023 Revision), the Securities Law of the People’s Republic of China (2019 Revision), the Administrative Measures for the Issuance and Dealing of Corporate Bonds (CSRC Order No. 222) and other relevant laws, regulations and normative documents, and having assessed the Company against the relevant qualifications and conditions for the public issuance of corporate bonds by listed companies, the Company satisfies the conditions for the public issuance of corporate bonds as stipulated under the prevailing laws, regulations and normative documents and is qualified to issue corporate bonds.

The principal terms of the proposed application for registration and issuance of corporate bonds are set out below:

Issue size:	The issue size of the corporate bonds shall not be more than (and including) RMB6 billion, and the specific issue size will be determined within the aforementioned limit based on market conditions and the capital needs of the Company.
Method of issuance:	The issuance of corporate bonds shall be conducted through public issuance in one or multiple tranches upon approval by the Shanghai Stock Exchange and registration with the CSRC. The specific issuance method shall be determined based on the capital needs of the Company and the prevailing market conditions at the time of issuance.
Target investors:	The corporate bonds under the issuance shall be issued publicly to professional investors only, the scope of which shall be determined in accordance with laws and regulations, market conditions and specific issuance arrangements.
Term of the bonds:	The corporate bonds under the issuance shall have a term of not more than 10 years (inclusive) and may take the form of single term or a combination of multiple categories with different terms. The specific terms of maturity and the issue size of each category shall be determined based on the capital needs of the Company and the prevailing market conditions at the time of issuance.

LETTER FROM THE BOARD

Interest rate and method of determination:	The interest rate of the corporate bonds to be issued, as well as the method for its calculation and payment, will be determined through consultation with the underwriter(s), if any, based on the prevailing market conditions at the time of issuance and in accordance with the provisions of relevant applicable laws and regulations.
Issue price:	The issue price shall be determined based on the prevailing market conditions at the time of issuance and in accordance with the provisions of relevant applicable laws and regulations.
Use of proceeds:	After deducting the issuance expenses, the proceeds from the corporate bonds under the issuance are proposed to be applied to lawful and compliant purposes including repayment of interest-bearing debts, supplement of working capital, project construction and operation. The specific use of proceeds shall be determined within the aforesaid scope based on the capital needs of the Company.
Term of redemption or sale back:	Whether the corporate bonds under the issuance will have any terms for redemption or sale back, as well as the specific terms thereof, shall be determined in accordance with relevant provisions and market conditions.
Method of repayment of principal and interest:	The repayment of principal and interest of the bonds under the issuance shall be based on the list of bondholders in accordance with the relevant regulations of the securities registration institution. The method of payment of principal and interest and other specific arrangements shall be handled according to the relevant regulations of the securities registration institution, and the interest shall be paid once a year.
Listing arrangement:	Upon completion of the issuance of corporate bonds, the Company will, subject to the satisfaction of the conditions for listing, apply for the listing of the corporate bonds under the issuance on the Shanghai Stock Exchange. Matters relating to listing and dealing shall be handled in accordance with relevant provisions.
Guarantee provisions:	The corporate bonds under the issuance are not guaranteed.
Safeguard measures for repayment:	To further safeguard the interests of bondholders, if the Company anticipates that it will be unable to repay the principal or interest of the bonds on schedule during the term of the corporate bonds, the Company shall formulate and adopt multiple debt repayment safeguard measures to effectively protect the interests of bondholders.

LETTER FROM THE BOARD

**Validity period of the
authorisation:**

The resolution in respect of the bonds shall take effect on the date of approval by the Shareholders at the EGM, and shall remain valid until the expiry date of the registration documents issued by the CSRC.

To enhance the efficiency of the bond issuance, and in accordance with the requirements of the issuance, it is proposed to request the EGM to authorise the Board, in compliance with the provisions of currently effective laws, regulations, and normative documents, including the Company Law of the People's Republic of China, and adhering to the principle of maximising the interests of the Company's shareholders, to take full responsibility for and handle all matters related to the registration and issuance of the bonds. It is proposed to the Shareholders at the EGM that the Board be authorised to delegate these powers to the Company's management (including the general manager, chief accountant, etc.) to manage all matters concerning the registration and issuance of the bonds, including but not limited to:

1. Within the scope permitted by laws and regulations, and based on market conditions and the Company's needs, deciding the timing of the bond issuance; formulating specific issuance plans for the Company's bonds; and revising and adjusting the issuance terms, including the maturity period, the size of each tranche, interest rates, face value, issuance methods, underwriting methods, the use of proceeds and all other matters related to the issuance terms;
2. Engaging sponsoring underwriters and other relevant intermediaries, and handling matters related to the application for issuance, and listing and trading of the bonds;
3. Fully representing the Company in executing contracts, agreements, and other legal instruments related to the issuance and listing of the bonds;
4. Handling matters related to disclosure of information;
5. Deciding upon and handling other matters related to the Company's bond issuance and listing; and
6. The term of this authorisation shall commence from the date of approval by the EGM and remain valid until all the aforementioned authorised matters have been completed.

The matters concerning the registration and issuance of corporate bonds are subject to submission to and approval at the EGM. Following such approval, an application shall be submitted to the regulatory authorities. The final plan approved by the Shanghai Stock Exchange and registered with the CSRC shall prevail. Any subsequent issuances shall be implemented by the management of the Company after obtaining approval in accordance with the relevant authorisations and applicable regulations.

The resolution in relation to the proposed application for registration and issuance of corporate bonds will be proposed, by way of a special resolution, at the EGM for the Shareholders' consideration and approval.

XV. EGM

The EGM will be held at 1:30 p.m. on Monday, 31 August 2026 (or at any adjournment thereof) at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC, for the Shareholders to consider and, if thought fit, approve, among other things, the aforementioned resolutions.

LETTER FROM THE BOARD

As at the Latest Practicable Date, 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. COSCO SHIPPING and its associates and all other Shareholder(s) (if any) who are involved or interested in the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder will be required to abstain from voting on the relevant resolution to be proposed at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Shareholders have a material interest in the relevant resolution, and therefore no other Shareholders are required to abstain from voting at the EGM for such resolution.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in other resolutions to approve (i) the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder, (ii) the proposed revision to the issuance plan of debt financing instruments, and (iii) the proposed application for registration and issuance of corporate bonds at the EGM, and therefore no Shareholder is required to abstain from voting at the EGM for the relevant resolutions.

For the purpose of holding the EGM, the Register of Members will be closed from 26 August 2026 to 31 August 2026 (both days inclusive), during which period no transfer of H Shares will be registered. The H Shareholders whose names appear on the Register of Members on 31 August 2026 are entitled to attend and vote at the EGM. In order to attend and vote at the EGM, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 25 August 2026.

XVI. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 35 to 36 of this circular and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 37 to 48 of this circular in connection with the 2026 Heavy Industry Shipbuilding Contracts and the principal factors and reasons considered by the Independent Financial Adviser in arriving at such advice.

The Independent Board Committee, having considered the terms of the 2026 Heavy Industry Shipbuilding Contracts and the advice of the Independent Financial Adviser, are of the opinion that: (i) the 2026 Heavy Industry Shipbuilding Contracts were entered into in the ordinary and usual course of business of the Company on normal commercial terms; and (ii) the terms of the 2026 Heavy Industry Shipbuilding Contracts are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to approve the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder.

The Board recommends (i) the Independent Shareholders to vote in favour of the resolution to approve the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder at the EGM; (ii) the Shareholders to vote in favour of the resolution to approve the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder, (iii) the Shareholders to vote in favour of the resolution to approve the proposed revision to the issuance plan of debt financing instruments, and (iv) the Shareholders to vote in favour of the resolution to approve the proposed application for registration and issuance of corporate bonds at the EGM.

LETTER FROM THE BOARD

XVII. ADDITIONAL INFORMATION

Your attention is also drawn to (i) the letter from the Independent Board Committee set out on pages 35 to 36 of this circular, containing its recommendation in respect of the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder; (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 37 to 48 of this circular, containing its recommendation in respect of the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder; and (iii) additional information set out in the appendices to this circular.

The Independent Shareholders are advised to read the aforesaid letters before deciding as to how to vote on the resolution approving the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder.

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

* *The Company is a registered non-Hong Kong company as defined in 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."*



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)

14 August 2026

To the Independent Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTIONS
2026 HEAVY INDUSTRY SHIPBUILDING CONTRACTS**

We refer to the circular of the Company dated 14 August 2026 (the “**Circular**”), of which this letter forms part. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” in the Circular. Messis Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the “Letter from the Board” set out on pages 6 to 34 of the Circular, the “Letter from Independent Financial Adviser” set out on pages 37 to 48 of the Circular and the additional information set out in appendices to the Circular.

Having taken into account, among other things, the principal factors and reasons considered by, and the advice of, the Independent Financial Adviser as set out in the “Letter from the Independent Financial Adviser” in the Circular, we concur with the view of the Independent Financial Adviser and consider that the 2026 Heavy Industry Shipbuilding Contracts were entered into in the ordinary and usual course of business of the Group and are on normal commercial terms. The terms of the 2026 Heavy Industry Shipbuilding Contracts are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder to be proposed at the EGM.

Yours faithfully,
Independent Board Committee

Mr. Shao Ruiqing

Mr. Chan Kwok Leung
Independent non-executive Directors

Mr. Wu Daqi

* *The Company is a registered non-Hong Kong company as defined in 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.”.*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from the Independent Financial Adviser, Messis Capital Limited, to the Independent Board Committee and the Independent Shareholders in relation to the terms of the 2026 Heavy Industry Shipbuilding Contracts which has been prepared for the purpose of inclusion in this circular.

MESSIS 大有融資

14 August 2026

To: The Independent Board Committee and the Independent Shareholders of COSCO SHIPPING Development Co., Ltd.

Dear Sirs,

MAJOR AND CONNECTED TRANSACTIONS 2026 HEAVY INDUSTRY SHIPBUILDING CONTRACTS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder. Details of the 2026 Heavy Industry Shipbuilding Contracts are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 14 August 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

With reference to the announcement of the Company dated 30 June 2026, Hainan COSCO SHIPPING Development Ocean Transport, a wholly-owned subsidiary of the Company entered into the 2026 Heavy Industry Shipbuilding Contracts with Dalian Heavy Industry, a wholly-owned subsidiary of COSCO SHIPPING in relation to the construction of fifteen 87,000 DWT multipurpose grain vessels at an aggregate contract price of approximately RMB4,785 million, exclusive of tax. The principal terms of the 2026 Heavy Industry Shipbuilding Contracts are set out in the Letter from the Board.

As at the Latest Practicable Date, COSCO SHIPPING is an indirect controlling shareholder of the Company and therefore a connected person of the Company. Dalian Heavy Industry is a wholly-owned subsidiary of COSCO SHIPPING. Accordingly, Dalian Heavy Industry is a connected person of the Company and the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder constitute connected transactions of the Company.

On 21 May 2026, the Group entered into the Assignment and Novation Agreements (the “**Previous Acquisition**”) with two wholly-owned subsidiaries of COSCO SHIPPING in relation to the acquisition of eight 211,000 DWT bulk carriers and two 64,000 DWT bulk carriers which constitute disclosable and connected transactions of the Company. Pursuant to Rules 14.22 and 14A.81 of the Listing Rules, the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder shall be aggregated with the Previous Acquisition, as they are both transactions with COSCO SHIPPING Group and were entered into within a 12-month period. With reference to the Letter from the Board, as it is expected that one or more applicable percentage ratios calculated in accordance with the Listing Rules in respect of the transactions contemplated under the 2026 Heavy Industry Shipbuilding Contracts, when aggregated with the Previous Acquisition, exceed 25% but are less than 100%, the 2026 Heavy Industry

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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, and also subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save for COSCO SHIPPING and its associates, being controlling shareholders of the Company and are regarded as having material interest in the transactions contemplated under the 2026 Heavy Industry Shipbuilding Contracts, no Shareholders will be required to abstain from voting on the resolution approving the 2026 Heavy Industry Shipbuilding Contracts. As 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, they have abstained from voting on the relevant Board resolution approving the 2026 Heavy Industry Shipbuilding Contracts. Save as disclosed above, no other Directors have material interests in the transactions contemplated under the 2026 Heavy Industry Shipbuilding Contracts and therefore no other Directors have abstained from voting in respect of the relevant Board resolutions.

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Shao Ruiqing, Mr. Chan Kwok Leung and Mr. Wu Daqi, has been established to consider and make a recommendation to the Independent Shareholders on whether the 2026 Heavy Industry Shipbuilding Contracts is fair and reasonable, and is in the interests of the Company and the Shareholders as a whole. We, Messis Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

Save for being appointed as the independent financial adviser of (i) COSCO Shipping Energy Transportation Co., Ltd. (stock code: 1138), a non-wholly owned subsidiary of COSCO SHIPPING and a connected person of the Company, in relation to a disclosable and connected transaction dated 2 June 2026 which is not related to this engagement; and (ii) the Company in relation to the Previous Acquisition, Messis Capital Limited is not connected with the Directors or substantial shareholders of the Company or any of their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. In the past two years, except for the engagement in the Previous Acquisition, there was no engagement between the Company and us. Apart from normal professional fees payable to us in connection with the aforementioned appointment by COSCO Shipping Energy Transportation Co., Ltd., the appointment of us as independent financial adviser by the Company in the Previous Acquisition and the current appointment, no arrangement exists whereby Messis Capital Limited will receive any fees or benefits from the Company or the Directors or substantial shareholders of the Company or any of their respective associates. The previous engagements with the Company and with COSCO Shipping Energy Transportation Co., Ltd. would not affect our independence from the Company and we are independent under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the transactions contemplated under the 2026 Heavy Industry Shipbuilding Contracts.

BASIS OF OUR OPINION

In formulating our opinions and recommendations, we have reviewed, inter alia, (i) the 2026 Heavy Industry Shipbuilding Contracts; and (ii) the annual report of the Company for the year ended 31 December 2025 (the **"2025 Annual Report"**). We have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company for which they are solely and wholly responsible, are true and accurate at the time they were made and will continue to be accurate as at the Latest Practicable Date. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company.

The 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 the 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 therein or the document misleading.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any material facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group and any parties in relation to the 2026 Heavy Industry Shipbuilding Contracts.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the 2026 Heavy Industry Shipbuilding Contracts. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

1. Information on the Group

The Company is a joint stock limited 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. The Group is principally engaged in container manufacturing, container leasing, shipping leasing and investment management businesses.

The tables below set forth a summary of the consolidated financial information of the Company for the year ended 31 December 2025 (“FY2025”) and 2024 (“FY2024”) respectively as extracted from the 2025 Annual Report:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
	(Audited)	(Audited)
Revenue	24,984,736	27,411,245
Profit for the year from continuing operations	1,738,106	1,422,506
Non-current assets	111,087,673	108,238,698
Current assets	20,503,245	18,128,440
Non-current liabilities	53,703,457	56,389,962
Current liabilities	46,659,942	39,371,497
Net assets	31,227,519	30,605,679

With reference to the 2025 Annual Report, total revenue of the Group decreased by approximately RMB2,426.5 million or 8.9% from RMB27,411.2 million in FY2024 to RMB24,984.7 million in FY2025. The decrease in total revenue of RMB2,426.5 million in FY2025 was mainly driven by the decrease in segment revenue generated from container manufacturing business segment which decreased by approximately RMB2,518.1 million or 12.7% mainly resulted from the slowdown in container market demand and the decline in sales price of new containers, as affected by the global macroeconomic and trade patterns.

Despite the decrease in total revenue in FY2025 and the relatively stable gross margins of 18.0% in FY2025 and 16.9% in FY2024, profit for the year from continuing operations increased significantly by approximately RMB315.6 million or 22.2% from RMB1,422.5 million in FY2024 to RMB1,738.1 million in FY2025 which was mainly resulted from the decrease in finance cost amounting to approximately RMB443.1 million attributable to lower effective interest rate on borrowings that improved the net profits of the Company in FY2025.

As at 31 December 2025, total assets of the Group amounted to approximately RMB131,590.9 million, presenting an increase of approximately RMB5,223.8 million or 4.1% as compared with that as at 31 December 2024. The increase in total assets of RMB5,223.8 million was attributable to (i) increase in non-current assets amounting to RMB2,849.0 million mainly contributed by addition of containers and construction-in-progress that increased the Company's property, plant and equipment during the year; and (ii) increase in current assets amounting to RMB2,374.8 million contributed by increase in cash and cash equivalent mainly arising from net inflow from borrowings and other funding activities.

As at 31 December 2025, total liabilities of the Group amounted to RMB100,363.4 million, presenting an increase of approximately RMB4,601.9 million or 4.8% as compared with that as at 31 December 2024. The increase in current liabilities in FY2025 was mainly attributable to the current portion of corporate bonds and increase in current portion of bank and other borrowings that are due within one year. The decrease in non-current liabilities was mainly attributable to the reallocation of the current portion of bank and other borrowings to current liabilities. The total bank and other borrowings remained stable at approximately RMB76,012.5 million in FY2025 as compared to approximately RMB75,806.1 million in FY2024.

As a result of the foregoing, the net assets of the Company as at 31 December 2025 increased by approximately RMB621.8 million or 2.0% from RMB30,605.7 million in FY2024 to RMB31,227.5 million in FY2025.

2. Reasons for and benefit of the 2026 Heavy Industry Shipbuilding Contracts

The Group is principally engaged in container manufacturing, container leasing, shipping leasing and investment management businesses. As discussed with management of the Group, we are given to

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understand that immediately after the delivery of the Target Vessels I, Wai Fung Shipping Limited, being a wholly-owned subsidiary of COSCO SHIPPING Bulk, will charter the Target Vessels I from the Group under the 2026 Vessel Leasing Agreements so as to further expand the scale of the Group's shipping leasing business, enhance the quality of its vessel asset portfolio, strengthen the foundation for the development of its shipping leasing business and contribute to stable long-term income and cash flow for the Group. We noticed from the 2025 Annual Report that shipping leasing business represented a material business segment of the Group contributing over RMB2,000 million to revenue in each of FY2025 and FY2024. We understand from management that the 2026 Heavy Industry Shipbuilding Contracts enable the Company to improve the quality of its ship assets by including the Target Vessels I in its fleet upon their delivery and solidify leading position in China's shipping leasing sector while the rent receivable by the Group under the 2026 Vessel Leasing Agreements will be accounted for as revenue in the consolidated financial statements of the Group that contribute to the stable long-term income and cash flow, enhance the Company's overall financial soundness and reinforce its long-term development momentum.

Having considered that (i) the shipping leasing business is one of the Group's principal business with material revenue contribution; (ii) the entering into of the 2026 Heavy Industry Shipbuilding Contracts would expand the scale of the shipping leasing business, improve quality of the Group's ship assets and increase the proportion of self-owned vessels of the Group; and (iii) the Group is expected to enjoy a stable long-term income stream following the delivery of the Target Vessels I which will be chartered to COSCO SHIPPING Bulk Group pursuant to the 2026 Vessel Leasing Agreements, we concur with the Directors' view that the 2026 Heavy Industry Shipbuilding Contracts were entered into in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the 2026 Heavy Industry Shipbuilding Contracts

Date: 30 June 2026

Parties:

- (1) Hainan COSCO SHIPPING Development Ocean Transport as buyer; and
- (2) Dalian Heavy Industry as seller/builder.

Subject matters: Pursuant to the 2026 Heavy Industry Shipbuilding Contracts, Dalian Heavy Industry agrees to design, build, launch, equip and complete at its shipyard and to sell and deliver to Hainan COSCO SHIPPING Development Ocean Transport, and Hainan COSCO SHIPPING Development Ocean Transport agrees to purchase and take delivery of, the Target Vessels I, being fifteen 87,000 DWT multipurpose grain vessels.

Such vessels are expected to be delivered between June 2029 and December 2030, subject to the arrangements for delay in delivery as provided in the respective contracts.

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Contract price and payment:

The aggregate contract price for the Target Vessels I to be built under the 2026 Heavy Industry Shipbuilding Contracts shall be approximately RMB4,785 million, exclusive of tax, for the fifteen 87,000 DWT multipurpose grain vessels, representing approximately RMB319 million, exclusive of tax, per vessel, subject to adjustments in accordance with the terms of the respective contracts.

Each of Hainan COSCO SHIPPING Development Ocean Transport and Dalian Heavy Industry shall pay accrued interests applicable in the event that it fails to fulfil obligations under the relevant 2026 Heavy Industry Shipbuilding Contracts or upon the rescission thereof (as the case may be).

Basis of consideration:

The abovementioned contract prices were determined after arm's length negotiations between the relevant subsidiaries of the Company 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 87,000 DWT multipurpose grain vessels, quotations have been obtained on the same specifications from three shipbuilders, of which two others are independent shipbuilders. The quotations included, among other things, (i) the pricing terms; (ii) the expected time of delivery; and (iii) the payment schedule. As all three shipbuilders including Dalian Heavy Industry offered the same contract prices and payment schedules while Dalian Heavy Industry offered the earliest delivery time, the Directors consider that the terms offered by Dalian Heavy Industry are fair and reasonable and no less favourable to the Group than the terms offered by the other shipbuilders. Accordingly, Dalian Heavy Industry has been selected as the shipbuilder for the Target Vessels I.

Payment schedule:

The contract price of the vessels under the 2026 Heavy Industry 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.

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Funding:

The investment in the Target Vessels I 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 Heavy Industry Shipbuilding Contracts is subject to downward adjustments, or the relevant buyer shall be entitled to reject the relevant vessel(s) and rescind the respective 2026 Heavy Industry 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 Shipbuilding Contract(s); or (ii) the delay in delivery of the relevant vessel(s) exceeds certain agreed time limits under the respective 2026 Heavy Industry 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 Heavy Industry 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 Heavy Industry 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.

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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. The price adjustment mechanism is included with an intention to protect the interests of the Group under 2026 Heavy Industry Shipbuilding Contracts.

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

The maximum amount of liquidated damages for each vessel under the 2026 Heavy Industry Shipbuilding Contracts shall be approximately RMB9.07 million. As the price adjustment mechanism under the 2026 Heavy Industry Shipbuilding Contracts is similar to those adopted by the Group in respect of the procurement of other vessels, whether from COSCO SHIPPING Group or independent third parties, and in particular the maximum amount of liquidated damages under the 2026 Heavy Industry Shipbuilding Contracts is comparable to that under the shipbuilding contracts entered into with independent third parties in respect of the same type of vessels, the Directors consider that the downward adjustments are on normal commercial terms or better.

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 I are constructed may be modified and/or changed after the date of the relevant 2026 Heavy Industry Shipbuilding Contracts by agreement of the parties or otherwise in accordance with the procedures set out in the respective contracts, including changes required as a result of mandatory amendments to the applicable rules and regulations of China Classification Society or other authorised statutory authorities, and substitution of materials and/or equipment where the originally agreed materials and/or equipment cannot be procured in time for delivery, subject to the terms and conditions set out therein.

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Effective Date:

Each of the 2026 Heavy Industry Shipbuilding Contracts shall become effective upon: (i) the due signing and execution of the relevant 2026 Heavy Industry Shipbuilding Contracts by the parties thereto; (ii) the approval by the respective internal approval authorities of the parties; and (iii) the approval at the general meeting of the Company.

The above conditions are not waivable by the parties.

As at the Latest Practicable Date, the conditions (i) and (ii) to the effectiveness of each of the 2026 Heavy Industry Shipbuilding Contracts have been fulfilled. Therefore, their effectiveness is still subject to the approval by the Independent Shareholders at the EGM.

In order to assess the fairness and reasonableness of the contract terms for the Target Vessels I to be built under the 2026 Heavy Industry Shipbuilding Contracts, we have discussed with the management of the Company and note that the Company has obtained quotations on the same specifications from two (2) independent shipbuilders. We are given to understand that the Company had sent enquiries and selected the target shipbuilders based on respective shipbuilding capacity, dock availability, delivery date, price and other factors of the shipbuilders. It is noted that the Company has made reference to the terms and market price for the construction of the same specifications of the Target Vessels I by two (2) independent shipbuilders in the market. We have therefore obtained and reviewed the preliminary quotations from the two independent shipbuilders and Dalian Heavy Industry. We noted from the preliminary quotations included (i) the pricing terms; (ii) the expected time of delivery; and (iii) the payment schedule. Based on our review, we understand that all three shipbuilders including Dalian Heavy Industry offered the same contract prices of RMB319 million, exclusive of tax, per vessel and payment schedules of a total of five instalments, with smaller proportion of contract price payable in the first four instalments based on the construction progress of the vessel and the majority of the payment payable in the fifth instalment upon delivery of the respective vessels. Dalian Heavy Industry offered the earliest delivery time with the whole batch of fifteen vessels of the Target Vessels I expected to be delivered in the fourth quarter of 2030. Another two independent shipbuilders only offered to complete entire batch of delivery by fourth quarter of 2031 and second quarter of 2032 respectively.

We have attempted to make reference to order prices of comparable vessels listed on the database of Clarksons, a research arm of Clarkson PLC which focuses primarily on the collection, validation, analysis and management of data in regards to the merchant shipping and offshore markets, with its reports widely cited in the shipping industry. However, since this model of multipurpose grain vessel is new to the market, there was no comparable transaction entered into by other shipowners in the market based on the records extracted from Clarksons database in the past 12 months period. As discussed with management, we are given to understand that the Target Vessels I are new type of vessels independently developed and designed in China and represent the world's first of a kind multipurpose vessel designed for grain transport. We have conducted research on public domain and noted that COSCO SHIPPING Bulk has placed orders for this new model of multipurpose grain vessel with Fujian Mawei Shipbuilding Co., Ltd.* (福建省馬尾造船股份有限公司), being the largest state-owned shipbuilding enterprise in Fujian Province in June 2025 (*Reference: https://www.eworldship.com/html/2025/Manufacturer_0627/213091.html*). With reference to the article, the contract price of each multipurpose grain vessel ordered by COSCO SHIPPING Bulk was approximately US\$50 million (equivalent to approximately RMB339.8 million). Accordingly, we concur with the Directors' view that the aggregate contract price for the Target Vessels I to be built under the

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2026 Heavy Industry Shipbuilding Contracts of approximately RMB4,785 million, exclusive of tax, for the fifteen 87,000 DWT multipurpose grain vessels, representing approximately RMB319 million, exclusive of tax, per vessel, which approximates to the average price of multipurpose grain vessel ordered by COSCO SHIPPING Bulk of approximately RMB339.8 million per vessel, is in line with market price and is fair and reasonable so far as the Independent Shareholders are concerned.

We understand that Dalian Heavy Industry is the subsidiary of COSCO SHIPPING Heavy Industry Co., Ltd., being one of the leading shipbuilders in China and the world. With reference to the 2026 annual review report (“**2026 Annual Review**”) published by BRS Group (*Reference: <https://www.brsshipbrokers.com/en/publications>*), an independent full-service shipbroking company with a longstanding presence in the global maritime industry, COSCO SHIPPING Heavy Industry Co., Ltd. is in the third position in China and fourth position in the world among the top 10 world shipyard groups by orderbook. We are given to understand by the management of the Company that being an intra-group service provider, COSCO SHIPPING Heavy Industry Co., Ltd. has been providing shipbuilding services to the Group for many years and established smooth and efficient cooperation with the Group as compared with other independent shipbuilders. Leveraging the leading shipbuilding position in China and the stable cooperation relationship with the Company, Dalian Heavy Industry is considered a preferred shipbuilder by the Company.

Having considered (i) the contract price of RMB319 million, exclusive of tax, per vessel offered by Dalian Heavy Industry is the same as the quotation obtained from another two independent shipbuilders; (ii) the contract price of the Target Vessels I offered by Dalian Heavy Industry approximates to the market price of a comparable model of multipurpose grain vessel ordered by COSCO SHIPPING Bulk in June 2025 which represents the only market order listing available for this newly developed type of vessel; and (iii) Dalian Heavy Industry is one of the largest and reputable shipbuilders with long-time cooperation with the Group making it a preferred shipbuilder by the Company, we concur with the view of the Directors that the terms provided by Dalian Heavy Industry is fair and reasonable, no less favorable than the terms provided by the other shipbuilders, and the selection of Dalian Heavy Industry as supplier based on its reputation, smooth and efficient cooperation with the Group and the earliest delivery time offered as compared with other independent quotations obtained, is in the interests of the Company and the Shareholders as a whole.

Based on our review on the 2026 Heavy Industry Shipbuilding Contracts, we note that contract price payable under the 2026 Heavy Industry Shipbuilding Contracts is subject to downward adjustments, or the Company shall be entitled to reject the vessel(s) and rescind the respective 2026 Heavy Industry Shipbuilding Contracts, in the event of non-conforming specifications of vessels and/or delay in delivery. 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 Heavy Industry Shipbuilding Contracts. The maximum amount of liquidated damages for each vessel under the 2026 Heavy Industry Shipbuilding Contracts shall be approximately RMB9.07 million, representing approximately 2.8% of the contract price of RMB319 million, exclusive of tax, per vessel. We have discussed with the management of the Company and understand that before delivery of the Target Vessels I, the Company will perform relevant trial tests including but not limited to speed, deadweight tonnage and fuel consumption rate. If (i) the results of the trial tests do not conform to the requirement as stipulated in the 2026 Heavy Industry Shipbuilding Contracts; and (ii) late delivery exceeding certain agreed time limits, there will be a downward adjustments in price of relevant vessels. As such, the price adjustment mechanism is included with an intention to protect the Group from overpaying should the specifications of the Target Vessels I fall short of the requirements as stipulated in the 2026 Heavy Industry Shipbuilding Contracts. We have discussed with the management and noted that (i) delivery time; (ii) speed; (iii) fuel consumption; and (iv) deadweight tonnage, represent four critical aspects and specifications in the 2026 Heavy Industry Shipbuilding Contracts to determine if the vessels are built and

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delivered in conformity with the requirements of the Company. We are given to understand that the amount of liquidated damages are determined after arm's length negotiation between the Company and Dalian Heavy Industry and represent the tolerance level within which the Target Vessels I are accepted as having met the building requirements stipulated in the 2026 Heavy Industry Shipbuilding Contracts after downward adjustments to the contract price. Should the relevant trial tests reveal that any one of the specifications of Target Vessels falls below the tolerance level that can be adjusted through the downward adjustment mechanism, the Company is entitled to reject the vessels and rescind the 2026 Heavy Industry Shipbuilding Contracts. Having considered that the downward adjustments mechanism provides extra protection to the Company in addition to the right to reject the vessels and rescind the 2026 Heavy Industry Shipbuilding Contracts if deviation from the required specifications of the Target Vessels I is found in the course of trial tests, we are of the view that the downward adjustments mechanism is in interests of the Company and the Shareholders as a whole.

As mentioned earlier, since the model of Target Vessels I is new to the market, there was no public record of recent comparable transaction entered into by other shipowners in the market. In order to assess if the downward adjustments under the 2026 Heavy Industry Shipbuilding Contracts are on normal commercial terms or better, we have therefore, for comparison purpose, reviewed the terms of the 2026 China State Shipbuilding Contracts which were entered into between the Company and China State Shipbuilding Group, being a PRC state-owned enterprise group independent from the Group, in relation to the construction of Target Vessels II. We consider the 2026 China State Shipbuilding Contracts is an appropriate comparable because (i) the Target Vessels II under 2026 China State Shipbuilding Contracts comprises five 87,000 DWT multipurpose grain vessels which are of the same model as Target Vessels I under the 2026 Heavy Industry Shipbuilding Contracts; and (ii) this comparable shipbuilding order is placed with China State Shipbuilding Group, being the number one shipbuilding group worldwide by orderbook based on the league table in the 2026 Annual Review and is independent from the Company, providing a meaningful and representative reference with respect to the contract terms.

We note that the same price adjustment mechanism are included in both 2026 Heavy Industry Shipbuilding Contracts and 2026 China State Shipbuilding Contracts. We further note that the maximum amount of liquidated damages for each vessel as a percentage of the contract price under the 2026 China State Shipbuilding Contracts is smaller than that under the 2026 Heavy Industry Shipbuilding Contracts. Having consider that (i) the same price adjustment mechanism are included in both 2026 Heavy Industry Shipbuilding Contracts and 2026 China State Shipbuilding Contracts; and (ii) the level of protection to the Company against non-conforming specifications of vessels is greater as evidenced by the higher maximum amount of liquidated damages provided in the 2026 Heavy Industry Shipbuilding Contracts as compared to that provided in the 2026 China State Shipbuilding Contracts, we concur with the view of the Directors that the inclusion of such adjustment mechanism in the 2026 Heavy Industry Shipbuilding Contracts is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We also note that the contract price under the 2026 Heavy Industry Shipbuilding Contracts shall be payable in five instalments, with smaller proportion of 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. We understand that shipbuilding involves large raw materials and multiple parts costs such as engines. Therefore, we believe that it is reasonable to pay in installments before delivery (rather than paying in full at the time of delivery or after delivery).

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For comparison purpose, we have also reviewed the 2026 China State Shipbuilding Contracts and the payment structure thereunder and compared with that of the 2026 Heavy Industry Shipbuilding Contracts, and note that the proposed payment terms thereunder are the same. Accordingly, we concur with the view of the Directors that the payment structure in the 2026 Heavy Industry Shipbuilding Contracts is an industry norm and hence is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Having considered that (i) the contract price of the 2026 Heavy Industry Shipbuilding Contracts is no less favorable than the quotations obtained from other independent shipbuilders while Dalian Heavy Industry at the same time offered the earliest delivery time; (ii) the order price of the Target Vessels I under the 2026 Heavy Industry Shipbuilding Contracts is in line with market price as evidenced by being approximate to the average price of comparable multipurpose grain vessel ordered by COSCO SHIPPING Bulk; and (iii) the price adjustment mechanism and payment structure are industry norm and on normal commercial terms, we concur with the Directors' view that it is fair and reasonable to select Dalian Heavy Industry as the shipbuilder under the 2026 Heavy Industry Shipbuilding Contracts. Based on the above, we concur with the view of the Directors that the terms of the 2026 Heavy Industry Shipbuilding Contracts are on normal commercial terms or better, and is fair and reasonable so far as the Independent Shareholders are concerned.

OPINION AND RECOMMENDATION

Having taken into account the above-mentioned principal factors and reasons, we are of the opinion that the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole, and the terms of the 2026 Heavy Industry Shipbuilding Contracts are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the resolutions to be proposed at the EGM to approve the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Messis Capital Limited

Thomas Lai
Chief Executive Officer

Mr. Thomas Lai is a licensed person registered with the Securities and Futures Commission and regarded as a responsible officer of Mesis Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 30 years of experience in corporate finance industry.

1. FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes on the annual accounts for the last financial year of the Group.

The audited consolidated financial statements of the Group for the three years ended 31 December 2023, 2024 and 2025, together with the relevant notes thereof are disclosed in the following documents, which has been published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://development.coscoshipping.com>):

- (i) the annual report of the Company for the year ended 31 December 2023 published on 24 April 2024 (pages 109 to 243):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042401268.pdf>

- (ii) the annual report of the Company for the year ended 31 December 2024 published on 24 April 2025 (pages 113 to 249):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0424/2025042400388.pdf>

- (iii) the annual report of the Company for the year ended 31 December 2025 published on 24 April 2026 (pages 98 to 229):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0424/2026042402609.pdf>

2. STATEMENT OF INDEBTEDNESS

Debt securities and term loans

As at 30 June 2026, being the latest practicable date for the purpose of this statement of indebtedness, save as disclosed in respect of the borrowings and indebtedness of the Group below, the Group has no debt securities issued or outstanding, or authorized or otherwise created but unissued, and no term loans, distinguishing between guaranteed, unguaranteed, secured (whether the security is provided by the Company or by independent third parties) or unsecured.

Borrowings and indebtedness

As at 30 June 2026, being the latest practicable date for the purpose of this statement of indebtedness, the Group has outstanding borrowings, indebtedness and lease liabilities of approximately RMB100,771.94 million, comprising secured and unguaranteed bank and other loans of approximately RMB13,541.99 million, unsecured and unguaranteed bank and other loans of approximately RMB64,511.76 million, RMB corporate bonds of approximately RMB22,600.00 million and lease liabilities of approximately RMB118.19 million.

Contingent liabilities

As at 30 June 2026, being the latest practicable date for the purpose of this statement of indebtedness, the Group has no material contingent liabilities or guarantees.

Mortgages and charges

As at 30 June 2026, being the latest practicable date for the purpose of this statement of indebtedness, the Group's general banking facilities and the above outstanding secured borrowings were secured by the Group's property, plant and equipment, finance lease receivables and certain bank deposits.

Save as aforesaid or as otherwise mentioned herein and apart from intra-group liabilities, the Group did not have any outstanding mortgages, charges, debentures, loan capital, debt securities, bank loans and overdrafts or other similar borrowings or indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities as at 30 June 2026.

The Directors confirm that there was no material change in the indebtedness status of the Group since 30 June 2026 up to the Latest Practicable Date.

3. WORKING CAPITAL ADEQUACY OF THE GROUP

After due and careful enquiry, taking into account the financial resources available to the Group, including internally generated funds and available banking facilities, and the completion of the transactions under the 2026 Heavy Industry Shipbuilding Contracts and the 2026 Second China State Shipbuilding Contracts, the Directors are of the opinion that the Group has sufficient working capital for its present requirements for at least 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In 2026, the global economic landscape will continue to evolve, with the supply chain restructuring process accelerating amidst multiple disruptive factors. The wave of digital-intelligent and green transformation is reshaping the shipping industry ecosystem with unprecedented force, unlocking new horizons and injecting new momentum for the industry's resilient development.

In terms of the container leasing and manufacturing market, overall market demand is expected to return to normal. Factors such as the global trade pattern and geopolitical conditions will continue to affect the industry and increase market uncertainty, while the demand for containers to match new shipping capacity and for old container renewal will provide sustained and stable support to the market. Meanwhile, the improvement in technological innovation, expansion of application scenarios and the trend of green and low-carbon transformation in the container sector are expected to bring new development opportunities to the industry.

In terms of the shipping leasing market, affected by a combination of factors including the regionalization of global trade, interest rates in the capital market, and the accelerated green and low-carbon transformation of the shipping industry, the industry faces uncertainties but also embraces numerous market opportunities. This drives shipping leasing companies to upgrade their capabilities in full lifecycle vessel management, financing, asset allocation and other areas.

The Company will continue to maintain strategic focus, seek progress while maintaining stability to break new ground, pursue new equilibrium and achieve new breakthroughs amidst uncertainties and transformational opportunities. The Company will continue to forge the core competitiveness of “industry, finance and investment”, accelerate the enhancement of value creation capabilities. The container manufacturing business will further advance towards “refined operations”, upgrade manufacturing capabilities, optimize production capacity layout, and intensify efforts in the research, development and market expansion of high end products such as special containers and green intelligent containers. The shipping leasing business will further deepen “momentum building”, strengthen industry chain collaboration, expand the scale of high-quality assets, actively broaden the “relationship network” with customers, and consolidate and enhance its industry position. The container leasing business will further upgrade towards “innovation”, create customized service solutions, enhance market responsiveness through process reengineering and dynamic optimization, and continuously create greater value for customers. The Company will continue to strengthen technology collaboration and empowerment, march towards “green and intelligent new manufacturing”, build “smart and agile new operations”, and incubate a “new paradigm of industry-finance synergy”. The Company will build a “digital intelligence connector” for container manufacturing, leasing and shipping, deepen the calculation capabilities and credibility of the container CFP & EPD platform, expand application scenarios for “green containers matching green vessels”, accelerate the deployment of clean energy logistics equipment and high-efficiency vessels, and cultivate and strengthen new growth drivers. The Company will comprehensively deepen reforms, further improve the modern corporate governance system, implement the concept of “investing in people”, strengthen market value management, promote the deep integration of ESG governance with strategic businesses, aiming to forge intrinsic value and long-term value, and better reward investors.

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 document misleading.

2. DISCLOSURE OF INTERESTS

Interests and short positions of Directors and chief executives

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive(s) of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors or chief executive(s) is taken or deemed to have under such provisions of the SFO) or which was required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company.

Name	Position	Class of Shares	Capacity	Number of Shares interested (Note 1)	Approximate percentage of the total number of the relevant class of Shares of the Company (%)	Approximate percentage of the issued share capital of the Company (%)
Chan Kwok Leung	Director	H Shares	Beneficial owner	235,000 (L)	0.01	0.00
		H Shares	Interest of spouse	60,000 (L) (Notes 2)	0.00	0.00

Notes:

1. "L" means long position in the shares.
2. The spouse of Mr. Chan Kwok Leung is the beneficial owner of 60,000 H Shares. Mr. Chan Kwok Leung is deemed to be interested in the 60,000 H Shares within the meaning of Part XV of the SFO.

Positions held by Directors in substantial Shareholder(s)

As at the Latest Practicable Date, Ms. Zhang Xueyan, a non-executive Director, was also a deputy general manager of the capital management & operation division of COSCO SHIPPING and a non-executive Director of COSCO SHIPPING Investment Holdings Co., Limited.

Save as disclosed above, none of the Directors was, as at the Latest Practicable Date, a director or employee of a company which had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Interests of substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors or chief executive(s) of the Company, the interests or short positions of the Shareholders who are entitled to exercise or control 5% or more of the voting power at any general meeting or other persons (other than a Director, or chief executive(s) of the Company) in the Shares or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO or which have been notified to the Company and the Hong Kong Stock Exchange were as follows:

Name of Shareholder	Class of Shares	Capacity	Number of Shares interested (Note 1)	Approximate percentage of the total number of the relevant class of Shares of the Company (%)	Approximate percentage of the issued share capital of the Company (%)
China Shipping	A Shares	Beneficial owner	4,628,015,690 (L)	47.66	35.24
	A Shares	Interest of controlled corporation	1,447,917,519 (L) (Note 2)	14.91	11.03
	H Shares	Interest of controlled corporation	100,944,000 (L) (Note 3)	2.95	0.77
COSCO SHIPPING	A Shares	Interest of controlled corporation	6,075,933,209 (L)	62.57	46.27
	A Shares	Beneficial owner	47,570,789 (L)	0.49	0.36
	H Shares	Interest of controlled corporation	100,944,000 (L) (Note 3)	2.95	0.77

Name of Shareholder	Class of Shares	Capacity	Number of Shares interested (Note 1)	Approximate percentage of the total number of the relevant class of Shares of the Company (%)	Approximate percentage of the issued share capital of the Company (%)
COSCO SHIPPING Investment Holdings Co., Limited	A Shares	Beneficial owner	1,447,917,519 (L) (Note 2)	14.91	11.03
	H Shares	Interest of controlled corporation	100,944,000 (L) (Note 3)	2.95	0.77

Notes:

1. “L” means long position in the shares.
2. Such 1,447,917,519 A Shares represent the same block of Shares.
3. Such 100,944,000 H Shares represent the same block of Shares and is held by Ocean Fortune Investment Limited, an indirectly wholly-owned subsidiary of China Shipping.

Save as disclosed above, as at the Latest Practicable Date, no other person (other than Directors or chief executive(s) of the Company) had any interests or short positions in any Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or any interests or short positions recorded in the register kept by the Company pursuant to Section 336 of the SFO or any interests or short positions which have been notified to the Company and the Hong Kong Stock Exchange.

3. NO MATERIAL ADVERSE CHANGE

The Directors were 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 audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with any member of the Group which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. LITIGATION

Save for the matter disclosed in the announcement of the Company dated 22 May 2026, as at the Latest Practicable Date, no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

6. MATERIAL INTERESTS

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2025 (being the date to which the latest published audited accounts 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; and
- (b) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, nor any of their respective close associates had any interest in other business which competes or may compete, either directly or indirectly, with the business of the Group as if each of them were treated as a controlling shareholder under Rule 8.10 of the Hong Kong Listing Rules.

8. EXPERTS' QUALIFICATIONS AND CONSENT

The following are the qualifications of the experts who have given their opinions or advice which are contained in this circular:

Name	Qualification
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

As at the Latest Practicable Date, the abovementioned expert had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter or opinion and/or the reference to its name and opinions in the form and context in which they respectively appear.

As at the Latest Practicable Date, the abovementioned expert did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the abovementioned expert did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025 (being the date to which the latest published audited statements of the Group were made up).

As at the Latest Practicable Date, the abovementioned expert had given and had not withdrawn its written consent to the issue of this circular, with the inclusion herein of its letter of advice dated 14 August 2026 in connection with their advice to the Independent Board Committee and the Independent Shareholders, and references to its name and/or its advice in the form and context in which they appeared.

9. MATERIAL CONTRACTS

There is no material contract (not being entered into in the ordinary course of business) entered into by any member of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date.

10. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Cai Lei, a Fellow of the Hong Kong Chartered Governance Institute. He is qualified as a national judicial professional and an insurance assessor, and holds the title of senior economist.
- (b) The registered address of the Company in the PRC is Room A-538, International Trade Center, Lin-gang Special Area, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC.
- (c) The principal place of business of the Company in the PRC is No. 1 Building, Lane 1318 Shangcheng Road, Pudong New Area, Shanghai, the PRC.
- (d) The principal place of business of the Company in Hong Kong is 51/F, COSCO Tower, 183 Queen's Road Central, Hong Kong.
- (e) The Company's Hong Kong H Share registrar is Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (f) The registered address of COSCO SHIPPING is 628 Minsheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC.
- (g) Unless otherwise specified, the English text of this circular shall prevail over the Chinese text in case of inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents are on display and are published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://development.coscoshipping.com>) for a period of 14 days from the date of this circular:

- (a) the 2026 Heavy Industry Shipbuilding Contracts ⁽¹⁾;
- (b) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” in this circular;
- (c) the 2026 Second China State Shipbuilding Contracts ⁽²⁾; and
- (d) the written consent referred to in the paragraph headed “Expert’s Qualifications and Consent” in this appendix.

Notes:

- (1) The Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 14.66(10) and Rule 14A.70(13) of, and paragraph 43(2)(c) of Appendix D1B to the Listing Rules, so that only the redacted version of the 2026 Heavy Industry Shipbuilding Contracts will be available on the websites of the Hong Kong Stock Exchange and the Company as documents on display.
- (2) The Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 14.66(10), and paragraph 43(2)(c) of Appendix D1B to the Listing Rules, so that only the redacted version of the 2026 Second China State Shipbuilding Contracts will be available on the websites of the Hong Kong Stock Exchange and the Company as documents on display.

NOTICE OF EGM

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of COSCO SHIPPING Development Co., Ltd. (the “**Company**”) will be held at 1:30 p.m. on Monday, 31 August 2026 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC to consider and, if thought fit, pass the following resolutions.

Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 14 August 2026 (the “**Circular**”).

ORDINARY RESOLUTIONS

1. To consider and approve the resolution in relation to the 2026 Heavy Industry Shipbuilding Contracts, further details of which are set out in the Circular:

“THAT:

- (a) the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one Director be and is hereby authorized to do all such acts and things and execute and deliver all such documents, deeds or instruments (including affixing the common seal of the Company thereon) and take all such steps as the Director in his or her sole opinion and absolute discretion may consider necessary, appropriate or desirable to implement or give effect to the 2026 Heavy Industry Shipbuilding Contracts and the transactions contemplated thereunder.”

NOTICE OF EGM

2. To consider and approve the resolution in relation to the 2026 Second China State Shipbuilding Contracts, further details of which are set out in the Circular:

“THAT:

- (a) the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one Director be and is hereby authorized to do all such acts and things and execute and deliver all such documents, deeds or instruments (including affixing the common seal of the Company thereon) and take all such steps as the Director in his or her sole opinion and absolute discretion may consider necessary, appropriate or desirable to implement or give effect to the 2026 Second China State Shipbuilding Contracts and the transactions contemplated thereunder.”

SPECIAL RESOLUTIONS

3. To consider and approve the resolution in relation to the proposed revision to the issuance plan of debt financing instruments.
4. To consider and approve the resolution in relation to the proposed application for registration and issuance of corporate bonds.

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

Shanghai, the People's Republic of China
14 August 2026

NOTICE OF EGM

Notes:

1. For the purpose of holding the EGM, the Register of Members will be closed from 26 August 2026 to 31 August 2026 (both days inclusive), during which period no transfer of H Shares will be registered. The H Shareholders whose names appear on the Register of Members on 31 August 2026 are entitled to attend and vote at the EGM.
2. In order to attend and vote at the EGM, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 25 August 2026.
3. Each H Shareholder who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the EGM.
4. The form of proxy must be signed by the Shareholder or his/her attorney duly authorised in writing or, in the case of a legal person, must either be executed under its common seal or under the hand of a legal representative or other attorney duly authorised to sign the same. If the form of proxy is signed by an attorney of the appointer, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarially certified.
5. To be valid, for H Shareholders, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to Computershare at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM or any adjournment thereof in order for such documents to be valid.
6. If a proxy attends the EGM on behalf of a Shareholder, he/she should produce his/her identity card and the form of proxy signed by the Shareholder or his/her legal representative or his/her duly authorised attorney, and specifies the date of its issuance. If a legal person Shareholder appoints its corporate representative to attend the EGM, such representative should produce his/her identity card and the notarised copy of the resolution passed by the board of directors or other authorities, or other notarised copy of the permit issued by such legal person Shareholder. Form(s) of proxy duly signed and submitted by HKSCC Nominees Limited are deemed to be valid, and it is not necessary for the proxy(ies) appointed by HKSCC Nominees Limited to produce the signed form of proxy when the proxy(ies) attend(s) the EGM. Completion and return of the form of proxy will not preclude a Shareholder from attending in person and voting at the EGM or any adjournment thereof should he/she so wish.
7. Pursuant to the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by way of poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolution set out in the notice of the EGM will be voted on by poll. Results of the poll voting will be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk after the EGM. For the avoidance of doubt and for the purpose of the Listing Rules, holders of treasury Shares (if any) shall abstain from voting at the EGM.
8. Where there are joint registered holders of any share of the Company, only the person whose name stands first on the Register of Members in respect of such share may vote at the EGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto.
9. The EGM is estimated to last for half a day. Shareholders who attend the EGM in person or by proxy shall bear their own transportation and accommodation expenses.

The Board as at the date of this notice 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 in 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."*