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中遠海運發展股份有限公司

COSCO SHIPPING Development Co., Ltd.*

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

(Stock Code: 02866)

(1) MAJOR TRANSACTIONS 2026 THIRD CHINA STATE SHIPBUILDING CONTRACTS AND (2) PROPOSED CONTINUING CONNECTED TRANSACTIONS 2026 VLCC LEASING AGREEMENTS

2026 THIRD CHINA STATE SHIPBUILDING CONTRACTS

The Board is pleased to announce that, on 11 November 2026, the Group (as the buyer) and China State Shipbuilding Group (as the seller) entered into the 2026 Third China State Shipbuilding Contracts in relation to the construction of sixteen 307,000 DWT-class VLCCs at the aggregate contract price of approximately RMB13,425,120,000, exclusive of tax.

2026 VLCC LEASING AGREEMENTS

On the same date, the Group (as owner/lessor) and Pan Cosmos (as charterer/lessee) entered into the 2026 VLCC Leasing Agreements, pursuant to which the Group has agreed to provide vessel leasing services to Pan Cosmos in relation to the aforesaid sixteen 307,000 DWT-class VLCCs to be built under the 2026 Third China State Shipbuilding Contracts in aggregate, with a lease period of 240 months ± 90 days commencing from the delivery date of each vessel.

The 2026 VLCC Leasing Agreements are specific agreements made 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 VLCC Leasing Agreements 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 VLCC Leasing Agreements are conducted under any successor framework agreement(s), such transactions shall be conditional upon compliance with the relevant requirements under the Listing Rules in respect of such successor framework agreement(s) and the applicable annual caps.

IMPLICATIONS UNDER THE LISTING RULES

2026 Third China State Shipbuilding Contracts

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

2026 VLCC Leasing Agreements

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

EGM

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

A circular containing, among other things, (i) further details of the transactions under the 2026 Third China State Shipbuilding Contracts; and (ii) a notice convening the EGM will be despatched to the Shareholders, on or before 30 November 2026.

INTRODUCTION

The Board is pleased to announce that, on 11 November 2026, the Group (as the buyer) and China State Shipbuilding Group (as the seller) entered into the 2026 Third China State Shipbuilding Contracts in relation to the construction of sixteen 307,000 DWT-class VLCCs at the aggregate contract price of approximately RMB13,425,120,000, exclusive of tax.

On the same date, the Group (as owner/lessor) and Pan Cosmos (as charterer/lessee) entered into the 2026 VLCC Leasing Agreements, pursuant to which the Group has agreed to provide vessel leasing services to Pan Cosmos in relation to the aforesaid sixteen 307,000 DWT-class VLCCs to be built under the 2026 Third China State Shipbuilding Contracts in aggregate, with a lease period of 240 months ± 90 days commencing from the delivery date of each vessel.

2026 Third China State Shipbuilding Contracts

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

Date: 11 November 2026

Parties:

(1) Oriental Fleet, as buyer; and

(2) CSSC Dalian and China Shipbuilding Trading, both of which are members of China State Shipbuilding Group, collectively as sellers.

Subject matters: Pursuant to the 2026 Third China State Shipbuilding Contracts, the sellers agreed to design, build, launch, equip and complete at its shipyard and to sell and deliver to Oriental Fleet, and Oriental Fleet agrees to purchase and take delivery of sixteen 307,000 DWT-class VLCCs.

These vessels are expected to be delivered between October 2029 and December 2030, subject to the arrangements of delay in delivery as provided in the respective contracts.

The vessels are methanol and LNG dual-fuel-ready VLCCs.

Contract price: The aggregate contract prices for the sixteen 307,000 DWT-class VLCCs to be built under the 2026 Third China State Shipbuilding Contracts shall be approximately RMB13,425,120,000, exclusive of tax, representing approximately RMB839,070,000, exclusive of tax, per vessel, subject to adjustments in accordance with the terms of the respective contracts as set out below.

Basis of consideration: The abovementioned contract price was determined after arm's length negotiation between Oriental Fleet and CSSC Dalian with reference to the market price of the same type of vessel.

In particular, in respect of 307,000 DWT-class VLCCs, besides CSSC Dalian, quotations have been obtained on the same specifications from two other shipbuilders. The final quotation from CSSC Dalian, being approximately RMB839.07 million, exclusive of tax, per vessel, was the lowest among these quotations received. Taking into account both the vessel price and the fact that CSSC Dalian is the only shipbuilder among them with sufficient production capacity to construct the VLCCs, it has been selected as the shipbuilder for the vessels.

Payment schedule: The abovementioned contract price of the vessels under the 2026 Third China State Shipbuilding Contracts shall be payable in five instalments based on progress intervals on the construction of each vessel, with 50% of contract price payable in the first four instalments and the remaining 50% of the payment payable in the fifth instalment upon delivery of the respective vessels.

Funding: The investment in the sixteen 307,000 DWT-class VLCCs 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 Third China State Shipbuilding Contracts is subject to downward adjustments, or Oriental Fleet shall be entitled to reject the vessel(s) and rescind the respective 2026 Third China State Shipbuilding Contracts, 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 Third China State Shipbuilding Contracts; or (ii) the delay in delivery of the relevant vessel(s) exceeds certain agreed time limits under the respective 2026 Third China State 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 Third China State Shipbuilding Contracts, at the time of delivery of the vessel if the construction elements of the vessel or the delivery date fail to meet the following agreed standards pursuant to the respective 2026 Third China State Shipbuilding Contracts.

(1) Speed: actual trial speed of the vessel after correction is not lower than the guaranteed speed by certain agreed range in knot;

(2) DWT: actual DWT of the vessel at the time of delivery is within the range of the agreed permissible difference in metric tons;

(3) Fuel consumption rate: fuel consumption rate of the main engine measured during the vessel's platform trial is within the agreed range of permissible deviation percentage; and

(4) Delivery date: actual delivery date of the vessel does not exceed the agreed grace period.

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

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

Modifications: Oriental Fleet may request reasonable modifications to the specifications or plans during construction. Such modifications shall be implemented upon written agreement between the parties on the implementation proposal. The sellers may decline to propose modifications which, in their reasonable judgment, would affect their other commitments.

Effective Date: Each of the 2026 Third China State Shipbuilding Contracts shall become effective upon (i) the due signing and execution of the relevant 2026 Third China State Shipbuilding Contract; and (ii) the approval by the respective internal decision-making authorities of the parties thereto (including the approval at the general meeting of the Company).

2026 VLCC Leasing Agreements

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

Parties:

(1) Oriental Fleet, as owner/lessor; and

(2) Pan Cosmos, as charterer/lessee.

Subject matter: Pursuant to the 2026 VLCC Leasing Agreements, Oriental Fleet has agreed to provide vessel leasing services to Pan Cosmos in relation to the sixteen vessels to be built under the 2026 Third China State Shipbuilding Contracts.

Lease arrangements and period: The vessels are expected to be leased under operating bareboat charters. The lease period of each vessel shall be 240 months (subject to the charterer's discretion to extend or abridge the lease period by 90 days), commencing from the date of delivery of each vessel. Sixteen chartered vessels are expected to be delivered between October 2029 and December 2030.

Upon expiration of the lease period of each vessel, Pan Cosmos shall return such vessel to Oriental Fleet.

Pricing terms and policies: The pricing terms for vessel leasing services to be provided by Oriental Fleet to Pan Cosmos 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. They shall be no less favorable to the Group than the terms of vessel leasing services it provides to independent third parties. For further details, please refer to the paragraphs headed "2026 VLCC Leasing Agreements – Rental amount" in this announcement.

Conditions precedent and effective date: The effectiveness of the 2026 VLCC Leasing Agreements is subject to the satisfaction of the following conditions:

(i) The approval from the board of directors of Pan Cosmos and the decision of COSCO SHIPPING Energy having been obtained; and

(ii) The approval of Oriental Fleet from the Board of Directors of the Company having been obtained and, if applicable, any other approval required to be obtained by the Company having been obtained.

The above conditions precedent are not waivable by the parties. Besides, the effectiveness of the 2026 VLCC Leasing Agreements remains subject to the approval by the independent shareholders of COSCO SHIPPING Energy under condition (i).

Rental amount

No transaction amount is expected to be incurred for the three years ending 31 December 2028 as the relevant vessels are expected to be delivered in 2029 and 2030, respectively.

Accordingly, taking into account the potential rent adjustments as detailed below, the proposed Annual Cap for the vessel leasing services under the 2026 VLCC Leasing Agreements for each of the years ending 31 December 2029 to 2051 shall be approximately RMB1 billion. In arriving at the proposed Annual Cap, the Company has considered:

1. Fixed rent terms

For the fixed rent of the sixteen 307,000 DWT-class VLCCs, the average daily rent amounted to RMB116,520/vessel (excluding taxes and fees, the "**Fixed Lease Payments**"). Such average daily rent was calculated by taking the summation of (i) fixed rent of eight 307,000 DWT-class VLCCs which are subject to Fixed Lease Payments; and (ii) guaranteed daily rent of eight 307,000 DWT-class VLCCs which are subject to Variable Lease Payments, divided by sixteen, being the total quantity of the 307,000 DWT-class VLCCs.

2. Variable rent terms

The variable lease payments (the "**Variable Lease Payments**") shall be linked to the monthly average of the time charter equivalent of the Middle East to China freight route (the "**TD3C Route**") announced by the Baltic Exchange (the "**TD3C-TCE**"). If the monthly average of the TD3C-TCE is lower than the benchmark agreed upon by both parties, the daily rent shall be the guaranteed daily rent; if the monthly average of the TD3C-TCE is higher than the benchmark agreed upon by both parties, the excess shall be shared between the parties as agreed upon. The USD amount of the profit-sharing component of the rent for each period (if any) shall be converted into RMB using the monthly average of the central parity rates of RMB against USD published by the China Foreign Exchange Trade System under the People's Bank of China for the relevant month. For illustrative purposes only, assuming that the relevant exchange rate of USD to RMB of the relevant month is 1:6.5, the relevant Variable Lease Payments of the relevant month shall be calculated as follows: Daily rent rate = guaranteed daily hire + TD3C-TCE × 3.25 − 86,482.5. If the monthly average of the TD3C-TCE exceeds the benchmark agreed upon by both parties for triggering a change of the reference index, Pan Cosmos, the charterer, shall have the right to request that the reference index for the Variable Lease Payments be switched to the time charter equivalent of the West Africa to China freight route (the "**TD15 Route**") announced by the Baltic Exchange (the "**TD15-TCE**"); upon mutual agreement, the parties may determine an alternative pricing mechanism for the Variable Lease Payments. The Variable Lease Payments shall be settled on a quarterly basis.

Based on the actual performance of TD3C-TCE and TD15-TCE since 2017 and expectations for the future market over the next 20 years, the total annual Variable Lease Payments of those eight vessels under the guaranteed rental plus profit-sharing rental terms is estimated not to exceed RMB320 million.

Internal control procedures

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

1. 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;

2. the Company will regularly convene meetings to discuss any issues in the transactions under the continuing connected transaction agreements and recommendations for improvement;

3. 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;

4. 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

5. the supervision department of the Company will periodically review and inspect the progress of the relevant continuing connected transactions.

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

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

Independent Financial Adviser's opinion on the term

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

(a) with a focus on shipping and logistics industry, it is the principal business of the Group to concentrate on the integrated development with container manufacturing, container leasing and shipping leasing business as the core business;

(b) based on the discussion with the management of the Company, the Independent Financial Adviser understand that it is the Group's intention to focus on full lifecycle service demands for various shipping assets, strengthen its "purchase, lease, finance and sale" industrial-financial service capabilities, and deliver premium solutions for shipping development, so as to continue to solidify its leading position in the ship leasing industry in China;

(c) the purpose of the construction of sixteen 307,000 DWT-class VLCCs under the 2026 Third China State Shipbuilding Contracts is for subsequent leasing of the vessels which is a core development of the principal business of the Company and for aligning the aforementioned development strategies of the Company; and

(d) given that the entering into of the shipbuilding contract usually incurs substantial investment, a relatively longer-term agreement is commercially sensible for a ship leasing company to secure a long-term investment return. The subsequent leasing of the sixteen 307,000 DWT-class VLCCs will be accounted for as revenue in the consolidated financial statements of the Group, and will therefore provide a long-term stable income stream for the Group and hence to further strengthen the ship leasing business as well as the development of the Group.

In considering whether it is fair and reasonable for the 2026 VLCC Leasing Agreements to have a term of longer than three years, the Independent Financial Adviser considered that such practice is not uncommon in the ship leasing industry. In arriving at the aforesaid conclusion, the Independent Financial Adviser has performed desktop research and identified lease of ships transactions with a lease term over three years and constitute notifiable transactions under the Listing Rules from 1 November 2025 to 31 October 2026 (the "**Review Period**"), being the most recent twelve months to provide a general overview of latest market practice in relation to the lease terms of ships under leases, as announced by companies listed on the Main Board that are principally engaged in the maritime business comparable to that of the Group (the "**Comparables**"). The Independent Financial Adviser has identified a list of six Comparables with lease terms exceeding three years during the Review Period which is considered exhaustive and representative. Details of which are stated below:

Date of announcement	**Company name**	**Stock code**	**Leased assets**	**Duration of lease**
17 August 2026	Seacon Shipping Group Holdings Limited	2409	Chemical tanker	120 months
29 July 2026	Jinhui Holdings Company Limited	0137	Bulk carrier	84 months
30 June 2026	CSSC (Hong Kong) Shipping Company Limited	3877	Very large ammonia carrier	120 months
26 May 2026	COSCO SHIPPING Energy Transportation Co., Ltd.	1138	Large gas carrier	20 years
27 April 2026	SITC International Holdings Company Limited	1308	Container ship	15 years
4 March 2026	CSSC (Hong Kong) Shipping Company Limited	3877	Feeder container	120 months

As shown in the table above, it is not uncommon for ships leasing transactions to carry long lease terms, in particular the duration of lease for two transactions entered into by COSCO SHIPPING Energy Transportation Co., Ltd.* (中遠海運能源運輸股份有限公司) and SITC International Holdings Company Limited during the Review Period were up to 20 years (240 months) and 15 years (180 months) respectively. In addition, the Independent Financial Adviser has also obtained and reviewed announcements (i) of COSCO SHIPPING Energy Transportation Co., Ltd., A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600026) and H shares of which are listed on Hong Kong Stock Exchange (Stock code: 1138) dated 31 August 2023 that it has entered into leasing transactions with an independent third party in relation to the leases of 3 LNG vessels, and the terms of which are up to maximum of 24 years (i.e. 288 months); (ii) published by China Merchants Energy Shipping Co., Ltd.* (招商局能源運輸股份有限公司) dated 3 April 2024 and 6 May 2024, A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601872), that it has entered into leasing transactions with independent third parties in relation to the leases of LNG vessels, and the terms of which are up to maximum of 25 years (i.e. 300 months) and 30 years (i.e. 360 months), respectively; and (iii) published by the Company dated 26 August 2025, that it has entered into, among others, leasing transactions with an independent third party in relation to the leases of a LNG vessel, and the terms of which are up to 20 years (i.e. 240 months).

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

REASONS FOR AND BENEFITS OF THE 2026 THIRD CHINA STATE SHIPBUILDING CONTRACTS AND THE 2026 VLCC LEASING AGREEMENTS

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

It is proposed that, immediately upon delivery of each of the sixteen 307,000 DWT-class VLCCs to be built under the 2026 Third China State Shipbuilding Contracts, Pan Cosmos will charter-in the relevant vessel from the Group under the 2026 VLCC Leasing Agreements. The pricing terms under the 2026 VLCC Leasing Agreements 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 Third China State Shipbuilding Contracts, and the subsequent leasing of the vessels by the Group to Pan Cosmos under the 2026 VLCC Leasing Agreements, are part and parcel of the overall operating lease arrangements between the Group and COSCO SHIPPING Group (including COSCO SHIPPING Energy 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, further implements 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 Third China State Shipbuilding Contracts and the 2026 VLCC Leasing Agreements, the Company will further leverage the synergy between industry and finance, expand the scale and improve the quality of the Company's ship assets, diversify vessel asset types, strengthen the foundation of the development of its vessel leasing business, contribute to the stable long-term income and cash flow, enhance its overall financial soundness and reinforce its long-term development momentum. The post-construction operational lease under the 2026 VLCC Leasing Agreements will adopt a rent structure combining "fixed rent and guaranteed-sharing" models, allowing to capture upside during market up-cycles while securing base income during down-cycles, thereby mitigating operational risks from cyclical fluctuations and enhancing the project's overall stability and income predictability. In addition, the Company will deepen collaboration with upstream and downstream enterprises along the shipping industry chain to explore use cases for RMB in "manufacturing, leasing and shipping", further advancing the implementation of the use of RMB in the international shipping sector and enhancing its market competitiveness.

The Directors (including the independent non-executive Directors) consider that the 2026 Third China State Shipbuilding Contracts and the 2026 VLCC Leasing Agreements were entered into in the ordinary and usual course of business of the Group and are on normal commercial terms, and that the terms of the 2026 Third China State Shipbuilding Contracts and the 2026 VLCC Leasing Agreements (and the proposed annual caps thereunder) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

Information on the Group

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

With a focus on the integrated logistics industry, the Group will develop container manufacturing, container leasing and shipping leasing business as the core business and shipping supply chain finance services as auxiliary business, take full advantage of the support from investment management and achieve industry-finance-investment integrated development.

Oriental Fleet is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in vessel leasing and vessel operation.

Information on China State Seller

CSSC Dalian, a company established under the laws of the PRC with limited liability, 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. It is principally engaged in the shipbuilding business.

China Shipbuilding Trading is a company established in the PRC with limited liability and is a direct 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 CSSC Dalian, China Shipbuilding Trading and their ultimate beneficial owners is a third party independent of the Company and its connected persons.

Information on COSCO SHIPPING Energy Group

COSCO SHIPPING Energy is a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1138) and the A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600026). COSCO SHIPPING Energy Group is principally engaged in investment holding, oil shipment along the coast of the PRC and internationally, international liquefied natural gas shipment, liquefied petroleum gas shipment, chemicals shipment and vessel chartering.

Pan Cosmos is a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of COSCO SHIPPING Energy, principally engaged in the operation and management of ships.

IMPLICATIONS UNDER THE LISTING RULES

2026 Third China State Shipbuilding Contracts

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the 2026 Third China State Shipbuilding Contracts and the transactions contemplated thereunder exceed 25% but are all less than 100%, the 2026 Third 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 Third China State Shipbuilding Contracts and the transactions contemplated thereunder. Therefore, no Director has abstained from voting on the Board resolutions approving the 2026 Third China State Shipbuilding Contracts and the transactions contemplated thereunder.

2026 VLCC Leasing Agreements

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

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

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

EGM

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

A circular containing, among other things, (i) further details of the transactions under the 2026 Third China State Shipbuilding Contracts; and (ii) a notice convening the EGM will be despatched to the Shareholders, on or before 30 November 2026.

DEFINITIONS

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

"2026 Third China State Shipbuilding Contracts"	the shipbuilding contracts dated 11 November 2026 entered into between Oriental Fleet, as buyer; and China State Seller, collectively as sellers in relation to the construction of sixteen 307,000 DWT-class VLCCs, the details of which are set out in this announcement
"2026 VLCC Leasing Agreements"	the bareboat charter agreements dated 11 November 2026 entered into between Oriental Fleet (as owner/lessor) and Pan Cosmos (as charterer/lessee), the details of which are set out in this announcement
"A Share(s)"	the domestic share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
"Annual Cap"	the expected aggregated annual rent of vessels under lease payable by Pan Cosmos to Oriental Fleet pursuant to the 2026 VLCC Leasing Agreements, which shall be subject to and does not exceed the annual cap under the Master Operating Lease Services Agreement or its successor framework agreement(s)

"Board"	the board of Directors
"China Shipbuilding Trading"	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 Seller"	collectively, CSSC Dalian and China Shipbuilding Trading
"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
"CSSC Dalian"	Dalian Shipbuilding Industry Co., Ltd. (大連船舶重工集團有限公司), a company established under the laws of the PRC with limited liability and indirectly controlled by China State Shipbuilding Corporation
"Company"	COSCO SHIPPING Development Co., Ltd.# (中遠海運發展股份有限公司), a joint stock limited company established in the PRC, the H Shares and the A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 02866) and the Shanghai Stock Exchange (Stock Code: 601866), respectively
"COSCO SHIPPING"	China COSCO SHIPPING Corporation Limited# (中國遠洋海運集團有限公司), a PRC state-owned enterprise and an indirect controlling shareholder of the Company
"COSCO SHIPPING Energy"	COSCO SHIPPING Energy Transportation Co., Ltd.# (中遠海運能源運輸股份有限公司), a joint stock limited company established in the PRC, whose H shares and A shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 1138) and the Shanghai Stock Exchange (Stock Code: 600026), respectively

"COSCO SHIPPING Energy Group"	COSCO SHIPPING Energy and its subsidiaries
"COSCO SHIPPING Group"	COSCO SHIPPING, its subsidiaries and/or its associates (excluding the Group)
"Director(s)"	director(s) of the Company
"DWT"	deadweight tonnage, a standard unit of measurement of the maximum weight a ship can carry
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the 2026 Third China State Shipbuilding Contracts, and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries, where applicable
"H Share(s)"	the overseas listed foreign share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Financial Adviser"	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 Securities and Futures Ordinance, being the independent financial adviser to advise the explanation as to why the 2026 VLCC Leasing Agreements require a period longer than three years and confirmation that it is normal business practice for agreements of this type to be of such duration pursuant to Rule 14A.52 of the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"LNG"	liquefied natural gas

"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
"Oriental Fleet"	Oriental Fleet International Company Limited (東方富利國際有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Pan Cosmos"	Pan Cosmos Shipping & Enterprises Co., Ltd. (寰宇船務企業有限公司), a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of COSCO SHIPPING Energy
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	A Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of the Share(s)
"USD"	United States Dollar, the lawful currency of the United States of America
"VLCC"	Very Large Crude Oil Carrier
"%"	per cent

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

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

Shanghai, the PRC
11 November 2026

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

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

For identification purposes only.