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CSSC (Hong Kong) Shipping Company Limited
中國船舶集團(香港)航運租賃有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 3877)

MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITION OF VESSELS

The Board is pleased to announce that on 17 November 2026, the Buyer, and Chengxi Shipyard and CSTC as the sellers, entered into two Grain Vessels Shipbuilding Contracts on substantially the same terms for the construction and acquisition of two Grain Vessels.

The consideration for each Grain Vessel under the Grain Vessels Shipbuilding Contract is CNH326,000,000 (equivalent to approximately HK$384,680,000), and the aggregate consideration for the two Grain Vessels is CNH652,000,000 (equivalent to approximately HK$769,360,000).

In addition, on 17 November 2026, CA Shipping (being an indirectly non-wholly owned subsidiary of the Company) as the new buyer, the Original Buyer, and Guangzhou Wenchong and CSTC as the sellers, entered into two Novation Agreements on substantially the same terms for the novation to CA Shipping of the Original Buyer's rights and obligations under the respective Container Shipbuilding Contracts in respect of two Container Vessels.

The consideration for each Container Vessel under the relevant Container Shipbuilding Contract is US$61,400,000 (equivalent to approximately HK$478,920,000). The aggregate consideration for the two Container Vessels is US$122,800,000 (equivalent to approximately HK$957,840,000).

The aggregate consideration for the Transactions is approximately HK$1,727,200,000.

As at the date of this announcement, China Shipbuilding Group (through CSSC Group) is interested in 4,602,046,234 Shares, accounting for approximately 74.16% of the issued share capital of the Company. Chengxi Shipyard, CSSC Guangxi (being one of the Grain Vessels Builder), CSTC and Guangzhou Wenchong are subsidiaries of China Shipbuilding Group, which is the sole shareholder of CSSC Group. Accordingly, Chengxi Shipyard, CSTC and Guangzhou Wenchong are connected persons of the Company. The Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of each of the Grain Vessels Acquisition and Container Vessels Acquisition, standalone or in aggregate, exceeds 5% but is less than 25%, the Transactions constitute discloseable and connected transactions of the Company and are therefore subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

In addition, as the Group has entered into the acquisition of ten vessels with associates of CSSC Group, the September 2026 Acquisition and the Transactions constitute a series of transactions conducted within a 12-month period and shall be aggregated pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules. As one or more applicable percentage ratios calculated in accordance with Chapter 14 of the Listing Rules in respect of the September 2026 Acquisition and the Transactions on an aggregated basis exceed 25% but are less than 100%, the Transactions constitute major transactions and connected transactions of the Company and are therefore subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The EGM will be convened by the Company to consider and, if thought fit, approve the Transaction Agreements and the transactions contemplated thereunder. The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Transactions. An Independent Financial Adviser will be appointed by the Company in due course to advise the Independent Board Committee and the Independent Shareholders in respect of the Transactions, and a further announcement will be made by the Company upon such appointment.

A circular containing, among other things, further details in relation to the Transactions, the recommendation of the Independent Board Committee, the letter of advice from the Independent Financial Adviser, and a notice of the EGM, is expected to be sent to the Shareholders on or before 31 December 2026.

BACKGROUND

The Board is pleased to announce that on 17 November 2026, the Buyer, and Chengxi Shipyard and CSTC as the sellers, entered into two Grain Vessels Shipbuilding Contracts on substantially the same terms for the construction and acquisition of two Grain Vessels.

The consideration for each Grain Vessel under the Grain Vessels Shipbuilding Contract is CNH326,000,000 (equivalent to approximately HK$384,680,000), and the aggregate consideration for the two Grain Vessels is CNH652,000,000 (equivalent to approximately HK$769,360,000).

On 17 November 2026, CA Shipping (being an indirectly non-wholly owned subsidiary of the Company), the Original Buyer, Guangzhou Wenchong and CSTC entered into two Novation Agreements on substantially the same terms for the novation to CA Shipping of the Original Buyer's rights and obligations under the respective Container Shipbuilding Contracts.

The Transactions are subject to Independent Shareholders' approval at the EGM. In addition, the effectiveness of each of the Grain Vessels Shipbuilding Contract and the Novation Agreement shall only take effect, among others, the effectiveness of the relevant bareboat charter.

CONTRACT TERMS

Grain Vessels Shipbuilding Contracts

Consideration

The consideration for each Grain Vessel was determined by the Buyer and the sellers after arm's length negotiations taking into account: (i) the market price of comparable type of vessels in other shipbuilding transactions and the construction price of the same type of vessels offered by the sellers to other independent third parties recently by reference to the publicly available industry reports (the "**Grain Vessel Reports**") published by independent industry consultants. Based on the Grain Vessel Reports, the consideration amount of the Grain Vessels is the same as the construction price of same type of vessel offered by the sellers to other independent third parties in other transactions and lower than the market price of comparable types of vessels in other shipbuilding transactions; and (ii) payment terms and delivery dates of the Grain Vessels, and was agreed between a willing buyer and a willing seller. The terms of the Grain Vessels Shipbuilding Contracts, including the consideration, were determined on an arm's length basis and on normal commercial terms.

The Buyer shall pay the consideration for each Grain Vessel in five instalments based on the effectiveness of the relevant Grain Vessels Shipbuilding Contract and construction progress, with smaller proportions payable in the first four instalments and a substantial portion payable in the fifth instalment upon delivery. The construction milestones for the second, third and fourth instalments are steel cutting, keel-laying and launching, respectively.

The Grain Vessels are expected to be delivered on or before 31 December 2029 and 31 December 2030, respectively, subject to the arrangements for extensions and delays agreed in the Grain Vessels Shipbuilding Contracts. In case of delay in delivery, the sellers shall deduct the applicable liquidated damages from the fifth instalment, unless otherwise agreed. The amount depends on the extent of delay, with a grace period of 30 calendar days and a maximum amount of CNH7,200,000 for each Grain Vessel. Accordingly, the fifth instalment will be paid on a net basis after deducting such liquidated damages, where applicable.

Technical Specifications

If under extreme circumstances where the sellers fail to conform to the technical specifications (such as deviation of the speed, fuel consumption or the deadweight tonnage of the relevant Grain Vessel from the agreed permissible range), the sellers shall deduct the liquidated damages from the fifth instalment of the consideration under the relevant Grain Vessels Shipbuilding Contract (the exact amount of which shall be assessed based on the extent of deviation from the relevant technical specifications as prescribed under the Grain Vessels Shipbuilding Contracts) as follows:

(i) Speed: if the actual speed is three-tenths of a knot or more below the guaranteed speed, liquidated damages ranging from CNH200,000 to CNH1,400,000 for each Grain Vessel shall be payable by the sellers depending on the extent of the shortfall;

(ii) Fuel consumption: if the actual fuel consumption exceeds the guaranteed fuel consumption by more than 6%, liquidated damages ranging from CNH150,000 to CNH750,000 for each Grain Vessel; and

(iii) Deadweight: if the actual deadweight is more than 800 metric tons less than the guaranteed deadweight, liquidated damages ranging from CNH2,000 to CNH1,600,000 for each Grain Vessel;

Accordingly, the fifth instalment shall be paid on a net basis (i.e. after deducting the aforementioned liquidated damages payable by the sellers).

Save as disclosed above, the consideration for each Grain Vessel is not subject to other deduction mechanism pursuant to the terms of the Grain Vessels Shipbuilding Contracts.

Rescission and Termination

The Buyer may elect to rescind or cancel the relevant Grain Vessels Shipbuilding Contract in the event of delayed delivery of the relevant Grain Vessel by the sellers or failure of the sellers to conform to the aforementioned technical specifications in the construction of the relevant Grain Vessel to the extent as prescribed under the Grain Vessels Shipbuilding Contracts. In case of delay in delivery, if such delay continues for a period of 210 days after the delivery date (inclusive of the grace period of 30 calender days), the Buyer may elect to rescind the Grain Vessels Shipbuilding Contract in respect of the relevant Grain Vessel.

Refund

In the event that a Grain Vessels Shipbuilding Contract is rescinded or cancelled by the Buyer in accordance with the specific terms thereof, the sellers shall refund to the Buyer in CNH the full amount already paid by the Buyer to the sellers in respect of the relevant Grain Vessel, together with interest thereon where the rescission or cancellation is due to delay in delivery or failure to conform to the technical specifications (the exact amount of which shall be determined based on the agreed interest rate of 6% on the amount required to be refunded as calculated from the respective dates when such sums are received by the sellers in accordance with the terms under the Grain Vessels Shipbuilding Contracts).

Novation Agreements

The two Novation Agreements are on substantially the same terms. Pursuant to each Novation Agreement, CA Shipping will assume all the obligations and liabilities of the Original Buyer under the relevant Container Shipbuilding Contract and will obtain the benefit of all its rights and claims under that contract. Guangzhou Wenchong and CSTC will accept CA Shipping in substitution for the Original Buyer, which will be released from its obligations as buyer. Except as expressly provided in the relevant Novation Agreement, the sellers' rights and obligations under the relevant Container Shipbuilding Contract remain unchanged.

Consideration

The contract price payable to the sellers for each of the Container Vessels is US$61,400,000 (equivalent to approximately HK$478,920,000) and the aggregate consideration for the two Container Vessels is US$122,800,000 (equivalent to approximately HK$957,840,000). Such consideration excludes buyer-supplied items (if any) and is subject to adjustments in accordance with the Container Shipbuilding Contracts.

The consideration for each Container Vessel was determined by the CA Shipping and the sellers after arm's length negotiations taking into account: (i) the market price of comparable types of vessels in other shipbuilding transactions and the construction price of the same type of vessels offered by the sellers to other independent third parties recently by reference to the publicly available industry reports (the "**Container Vessel Reports**") published by independent industry consultants. Based on the Container Vessel Reports, the consideration amount of the Container Vessels is the same as the construction price of same type of vessel offered by the sellers to other independent third parties in other transactions and lower than the market price of comparable types of vessels in other shipbuilding transactions; and (ii) payment terms and delivery dates of the Container Vessels, and was agreed between a willing buyer and a willing seller. The terms of the Novation Agreements were determined on an arm's length basis and on normal commercial terms.

Payment Terms and Delivery

CA Shipping shall pay the consideration for each Container Vessel in five instalments based on the effectiveness of the relevant Container Shipbuilding Contract and construction progress, with smaller proportions payable in the first four instalments and a substantial portion payable in the fifth instalment upon delivery. The construction milestones for the second, third and fourth instalments are steel cutting, keel-laying and launching, respectively. The Container Vessels are expected to be delivered on or before 30 September 2028 and 30 November 2028, respectively, subject to the arrangements for extensions and delays agreed in the Container Shipbuilding Contracts. In case of delay in delivery, the sellers shall deduct the applicable liquidated damages from the contract price (to be deducted from the fourth instalment), unless otherwise agreed. The amount depends on the extent of delay, with the respective grace period of 30 days and 45 days and subject to, a maximum amount of US$1,260,000 for each Container Vessel.

Technical Specifications

If under extreme circumstances where the sellers fail to conform to the technical specifications (such as deviation of the speed, fuel consumption, deadweight tonnage or number of 14-ton container loadings of the relevant Container Vessel from the agreed permissible range), the sellers shall deduct the liquidated damages from the fifth instalment of the consideration under the relevant Container Shipbuilding Contract (the exact amount of which shall be assessed based on the extent of deviation from the relevant technical specifications as prescribed under the Container Shipbuilding Contracts) as follows:

(i) Speed: if the actual speed is three-tenths of a knot or more below the guaranteed speed, liquidated damages ranging from US$60,000 to US$180,000 for each Container Vessel shall be payable by the sellers depending on the extent of the shortfall;

(ii) Fuel consumption: if the actual fuel consumption exceeds the guaranteed fuel consumption by more than 5%, liquidated damages of up to US$240,000 for each Container Vessel;

(iii) Deadweight: if the actual deadweight is more than 1,500 metric tons less than the guaranteed deadweight, liquidated damages of up to US$300,000 for each Container Vessel; and

(iv) Container loading: if the deficiency in the number of 14-ton container loadings is more than 110 TEU below the guaranteed number, liquidated damages of up to US$280,000 for each Container Vessel;

Accordingly, the fifth instalment shall be paid on a net basis (i.e. after deducting the aforementioned liquidated damages payable by the sellers).

Save as disclosed above, the consideration for each Container Vessel is not subject to other deduction mechanism pursuant to the terms of the Container Shipbuilding Contracts.

Rescission and Termination

CA Shipping may elect to rescind or cancel the relevant Container Shipbuilding Contract in the event of delayed delivery of the relevant Container Vessel by the sellers or failure of the sellers to conform to the aforementioned technical specifications to the extent as prescribed under the Container Shipbuilding Contracts. In case of delay in delivery, if such delay continues for a period of up to 225 days after the delivery date, CA Shipping may elect to rescind the Container Shipbuilding Contract in respect of the relevant Container Vessel. CA Shipping may also cancel the relevant Container Shipbuilding Contract if the total accumulated permissible delays amount to 225 days or more, or the total accumulated permissible and non-permissible delays amount to 255 days or more. Each Novation Agreement shall cease to have effect if the novation does not take effect by 31 January, 2027, in which case the Container Shipbuilding Contract shall remain in force between the sellers and the Original Buyer.

Refund

In the event that a Container Shipbuilding Contract is rescinded or cancelled by CA Shipping in accordance with its specific terms, the sellers shall refund to CA Shipping in USD the full amount already paid in respect of the relevant Container Vessel, together with interest thereon where the rescission or cancellation is due to delay in delivery or failure to conform to the technical specifications relating to speed, fuel consumption or deadweight (the exact amount of which shall be determined based on the agreed interest rate of 3% on the amount required to be refunded as calculated from the respective dates when such sums are received by the sellers in accordance with the terms under the Container Shipbuilding Contracts).

SOURCE OF FUNDS

The aggregate consideration for the Transactions of approximately HK$1,727,200,000 is expected to be funded by internal resources of the Group and bank borrowings.

FINANCIAL EFFECT OF THE TRANSACTIONS

It is expected that upon completion of the Transactions, (i) the assets of the Company will increase by approximately HK$1,727,200,000, and such increase will be partially offset by a decrease in the Group's cash and cash equivalents due to the utilization of internal resources to partially fund the acquisition; and (ii) the total liabilities will increase as the borrowings will increase due to the bank financing required for funding the acquisition of the Vessels.

The Group is a shipyard-affiliated leasing company principally engaged in the provision of leasing services. Upon delivery of the Vessels from the builder, the Group will lease the Vessels to customer(s) for its leasing business, accordingly, the Group's earnings are expected to increase as a result of the leasing income generated from leasing the Vessels to customers.

The Directors are of the view that the acquisition of the Vessels will bring a positive impact to the earnings of the Group in the future.

INFORMATION OF THE PARTIES TO THE TRANSACTION AGREEMENTS

The Buyers

The Company is a shipyard-affiliated leasing company and is principally engaged in the provision of leasing services. The Buyer under the Grain Vessels Shipbuilding Contracts is the Company or its nominee.

CA Shipping is a joint venture established by Fortune Vcontainer Carriers and ASL NAVIGATION. As at the date of this announcement, CA Shipping is owned as to 60% by Fortune Vcontainer Carriers and 40% by ASL NAVIGATION. CA Shipping is a non-wholly owned subsidiary of the Company and its financial results are consolidated into the financial statements of the Group.

Fortune Vcontainer Carriers is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company, which is principally engaged in the provision of leasing services.

ASL NAVIGATION is a company incorporated in Hong Kong with limited liability and is principally engaged in the shipping business. As at the date of this announcement, ASL NAVIGATION is wholly-owned by ASL Shipping. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, ASL Shipping is ultimately owned as to approximately 55% by Hsing Tai-Ming and as to approximately 45% by Yang Xiangdong. ASL NAVIGATION, ASL Shipping and its ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons.

The Original Buyer/ASL Shipping

ASL Shipping is a company incorporated under the laws of Hong Kong and is principally engaged in shipping business. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, ASL Shipping is ultimately owned as to approximately 55% by Hsing Tai-Ming and as to approximately 45% by Yang Xiangdong. ASL Shipping and its ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons.

The sellers

Chengxi Shipyard is a company established under the laws of the PRC and is principally engaged in the shipbuilding business. As at the date of this announcement, Chengxi Shipyard is a subsidiary of China Shipbuilding Group.

CSSC Guangxi is a company established under the laws of the PRC and is principally engaged in the shipbuilding business. As at the date of this announcement, CSSC Guangxi is a subsidiary of China Shipbuilding Group.

Both Chengxi Shipyard and CSSC Guangxi are the Grain Vessels Builders and are jointly responsible for the design, construction and delivery of the Grain Vessels.

CSTC is a company established under the laws of the PRC and is a subsidiary of China Shipbuilding Group. CSTC acts as a trading intermediary under the relevant shipbuilding contracts, facilitating the transactions between the buyers and the shipbuilders and providing professional advice to optimise the construction and delivery process of the Vessels.

Guangzhou Wenchong is a company established under the laws of the PRC and is the builder of the Container Vessels. It is principally engaged in manufacturing of equipment for railways, ships, aerospace and other transportation facilities. It is an indirect wholly-owned subsidiary of China Shipbuilding Group, the sole shareholder of CSSC Group and one of the controlling shareholders of the Company. Accordingly, Guangzhou Wenchong is a connected person of the Company.

China Shipbuilding Group

China Shipbuilding Group is a state-authorised investment institution directly supervised and administered by the State-owned Assets Supervision and Administration Commission of the State Council. Its core business includes shipbuilding, ship-repairing, processing, export/import of marine equipment, diversified businesses such as other steel structure manufacturing and international cooperation, joint venture operations, financing, technology trading and workforce exportation. China Shipbuilding Group is the ultimate controlling shareholder of Chengxi Shipyard, CSTC and Guangzhou Wenchong.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE TRANSACTION AGREEMENTS

The Company is a shipyard-affiliated leasing company and is principally engaged in the provision of leasing services. The Board is continuously seeking to optimise the quality of the fleets of the Group and adjust the Group's fleet profile as appropriate.

The acquisition of the Vessels is consistent with the Group's ongoing strategy to renew its fleet with modern and high-quality vessels. The proposed addition of two 80,000 DWT grain carriers and two container vessels is intended to support the Group's fleet development and leasing business.

China Shipbuilding Group is a leading state-owned shipbuilding conglomerate in the PRC and has substantial experience and expertise in shipbuilding and capabilities in constructing a wide range of vessels. During the ordinary and usual course of business of the Group, the Group purchases vessels from China Shipbuilding Group and/or its associates for its operating lease business and direct finance lease transactions. The acquisition of the Vessels is expected to support the generation of leasing income upon delivery.

Chengxi Shipyard and Guangzhou Wenchong have been well recognised for their manufacturing process and quality control, which is crucial to the performance of the Vessels. The Group has previously engaged Chengxi Shipyard and Huangpu Wenchong, being the parent company of Guangzhou Wenchong, as shipbuilders in other shipbuilding transactions. Through such prior engagements, the Group has developed a good understanding of their construction capabilities, technical standards, project management and delivery track record, and has established an effective working relationship with them. Given that Guangzhou Wenchong is a subsidiary of Huangpu Wenchong, the Group expects that Guangzhou Wenchong will be able to draw on the shipbuilding experience, technical resources and quality control systems of its parent company in the construction of the Container Vessels. CSTC has experience in coordinating shipbuilders and buyers and monitoring shipbuilding progress. Engaging CSTC as trader under the relevant contracts is consistent with the structure used in the Group's previous vessel construction transactions and is intended to optimise the construction and delivery process. It is also noted that Chengxi Shipyard and Guangzhou Wenchong had entered into letters of intent with other independent third-party buyers for the construction of the same type of vessel ordered by the Group. Hence, it is believed that the builders are well recognised by the market for the construction of such vessel. In addition, the Vessels delivery schedule offered by the builders is also in line with the strategic plan of the Group, and the consideration offered by the builders is comparable to those offered by other shipbuilders (including independent third-party shipbuilders) as obtained by the Group through market research.

The Company believes that the Transactions will enable the Group to optimise its fleet profile through ongoing asset portfolio management, which is in line with the Group's business development strategy.

The Directors (excluding the Directors who have abstained from voting on the relevant Board resolutions and the independent non-executive Directors, whose views will be given after considering the advice of the Independent Financial Adviser) are of the view that the terms of the Transaction Agreements were arrived at after arm's length negotiations and are on normal commercial terms and in the ordinary and usual course of business of the Group, and that the Transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

THE LISTING RULES IMPLICATIONS

As at the date of this announcement, China Shipbuilding Group (through CSSC Group) is interested in 4,602,046,234 Shares, accounting for approximately 74.16% of the issued share capital of the Company. Chengxi Shipyard, CSTC and Guangzhou Wenchong are subsidiaries of China Shipbuilding Group, which is the sole shareholder of CSSC Group. Accordingly, Chengxi Shipyard, CSSC Guangxi (being one of the Grain Vessels Builder), CSTC and Guangzhou Wenchong are connected persons of the Company. The Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of each of the Grain Vessels Acquisition and Container Vessels Acquisition, standalone or in aggregate, exceeds 5% but is less than 25%, the Transactions constitute discloseable and connected transactions of the Company and therefore subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

In addition, as the Group has entered into the acquisition of ten vessels with associates of CSSC Group, the September 2026 Acquisition and the Transactions constitute a series of transactions conducted within a 12-month period and shall be aggregated pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules. As one or more applicable percentage ratios calculated in accordance with Chapter 14 of the Listing Rules in respect of the September 2026 Acquisition and the Transactions on an aggregated basis exceed 25% but are less than 100%, the Transactions constitute major transactions and connected transactions of the Company and are therefore subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

GENERAL

As China Shipbuilding Group, the sole shareholder of CSSC Group, is the indirect shareholder of Chengxi Shipyard, CSSC Guangxi, CSTC and Guangzhou Wenchong and has a material interest in the Transactions, China Shipbuilding Group and its associates, including CSSC Group, will be required to abstain from voting on the resolution(s) in relation to the Transaction Agreements and the transactions contemplated thereunder to be proposed at the EGM.

Save for Mr. Li Hongtao, Mr. Liu Hui, Mr. Xie Weizhong and Mr. Chi Benbin, who are considered to be interested in the Transactions by virtue of their directorial and/or managerial positions in China Shipbuilding Group, none of the other Directors has abstained from voting at the Board meeting to approve the Transaction Agreements and the transactions contemplated thereunder.

EGM

The EGM will be convened by the Company to, among other things, consider and, if thought fit, approve the Transaction Agreements and the transactions contemplated thereunder. Voting on the relevant resolution(s) at the EGM will be conducted by poll.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Transaction Agreements and the transactions contemplated thereunder. An Independent Financial Adviser will be appointed by the Company in due course to advise the Independent Board Committee and the Independent Shareholders in the same regard.

A circular containing, among other things, (i) further details in relation to the Transactions; (ii) the recommendation of the Independent Board Committee in relation to the Transaction Agreements and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in the same regard; and (iv) a notice of the EGM required under the Listing Rules, is expected to be sent to the Shareholders on or before 31 December 2026 as additional time is required for the Company to prepare the relevant information for inclusion in the circular.

DEFINITIONS

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

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"ASL NAVIGATION"	ASL NAVIGATION LIMITED, a company incorporated in Hong Kong with limited liability
"Board"	the board of directors of the Company
"Buyer"	the Company or its nominee, as buyer under the Grain Vessels Shipbuilding Contracts
"CA Shipping"	CA Shipping Company Limited, the joint venture established by Fortune Vcontainer Carriers and ASL NAVIGATION in Hong Kong and a non-wholly owned subsidiary of the Company
"Chengxi Shipyard"	Chengxi Shipyard Co., Ltd., a company established under the laws of the PRC and a subsidiary of China Shipbuilding Group, being one of the builder identified in the Grain Vessels Shipbuilding Contracts
"China Shipbuilding Group"	China State Shipbuilding Corporation Limited*(中國船舶集團有限公司), a wholly state-owned limited liability company established under the laws of the PRC, being the sole shareholder of CSSC Group and one of the controlling shareholders of the Company
"CNH"	RMB in the offshore market, referred to as Cross-border Chinese Yuan in the Grain Vessels Shipbuilding Contracts

"Company"	CSSC (Hong Kong) Shipping Company Limited (中國船舶集團(香港)航運租賃有限公司), a company incorporated under the laws of Hong Kong with limited liability on 25 June 2012, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3877)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Container Shipbuilding Contracts"	the two shipbuilding contracts between Guangzhou Wenchong and CSTC as the sellers and the Original Buyer for the Container Vessels, each to be novated pursuant to the relevant Novation Agreement; individually, "Container Shipbuilding Contract"
"Container Vessels"	two (2) 5,300 TEU container vessels with hull numbers H2782 and H2783 to be constructed pursuant to the Container Shipbuilding Contracts; individually, "Container Vessel"
"Container Vessels Acquisition"	the acquisition of the buyer's rights and assumption of its obligations in respect of the two Container Vessels pursuant to the respective Novation Agreements
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"CSSC Group"	China State Shipbuilding Corporation* (中國船舶工業集團有限公司), a wholly state-owned limited liability company established under the laws of the PRC and one of the controlling shareholders of the Company

"CSSC Guangxi"	China State Shipbuilding Corporation Guangxi Shipbuilding Co., Ltd.* (中國船舶集團廣西船舶有限公司), a company established under the laws of the PRC and indirectly controlled by China Shipbuilding Group, being the shipyard responsible for the design, construction and delivery of the Vessels
"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 and a subsidiary of China Shipbuilding Group, being a seller under the Grain Vessels Shipbuilding Contracts and the Container Shipbuilding Contracts and a party to the Novation Agreements
"Director(s)"	the director(s) of the Company
"DWT"	deadweight tonnage
"EGM"	an extraordinary general meeting of the Company to be held and convened to consider and, if thought fit, approve the Transaction Agreements and the transactions contemplated thereunder
"Fortune Vcontainer Carriers"	Fortune Vcontainer Carriers Limited, a company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company
"Grain Vessels"	two (2) 80,000 DWT grain carriers to be constructed pursuant to the Grain Vessels Shipbuilding Contracts; individually, "Grain Vessel"
"Grain Vessels Builders"	Chengxi Shipyard and CSSC Guangxi
"Grain Vessels Acquisition"	the acquisition of the Grain Vessels pursuant to the Grain Vessels Shipbuilding Contracts

"Grain Vessels Shipbuilding Contracts"	the two shipbuilding contracts dated 17 November 2026 between the Buyer, and Chengxi Shipyard and CSTC as the sellers, for the construction of the Grain Vessels
"Group"	the Company and its subsidiaries
"Guangzhou Wenchong"	Guangzhou Wenchong Shipyard Co., Ltd., a company established under the laws of the PRC, a wholly-owned subsidiary of Huangpu Wenchong, being the builder and a seller of the Container Vessels and a party to the Novation Agreements
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Huangpu Wenchong"	CSSC Huangpu Wenchong Shipbuilding Company Limited (中船黃埔文沖船舶有限公司), a company established in the PRC and a subsidiary of CSSC Group
"Independent Board Committee"	the independent committee of the Board, comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Transaction Agreements and the transactions contemplated thereunder
"Independent Financial Adviser"	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Transactions

"Independent Shareholders"	Shareholders who do not have a material interest in the Transaction Agreements and the transactions contemplated thereunder
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Novation Agreements"	the two novation agreements entered into on 17 November 2026 between Guangzhou Wenchong and CSTC as the sellers, the Original Buyer and CA Shipping as the new buyer, on substantially the same terms, for the respective Container Shipbuilding Contracts; a "Novation Agreement" means either of them
"Original Buyer" or "ASL Shipping"	ASL Shipping, Limited, a company incorporated under the laws of Hong Kong, being the original buyer under the Container Shipbuilding Contracts and a party to the Novation Agreements
"PRC"	the People's Republic of China
"RMB"	the lawful currency of the PRC
"September 2026 Acquisition"	the acquisition of ten vessels under the agreement dated 1 September 2026 entered into among the Company, Chengxi Shipyard and CSTC for the construction of ten vessels. For further details, please refer to the announcement of the Company dated 1 September 2026 and the circular of the Company dated 27 October 2026
"Share(s)"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)

"Shipbuilding Contracts"	the two shipbuilding contracts dated 17 November 2026 between the Buyer, and Chengxi Shipyard and CSTC as the sellers, for the construction of the Grain Vessels; individually, "Shipbuilding Contract"
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TEU"	twenty-foot equivalent unit
"Transaction Agreements"	collectively, the Grain Vessels Shipbuilding Contracts and the Novation Agreements
"Transactions"	collectively, the Grain Vessels Acquisition and the Container Vessels Acquisition
"US$"	United States dollars, the lawful currency of the United States of America
"Vessels"	collectively, the two Grain Vessels and the two Container Vessels; each, a "Vessel"
"%"	per cent

In this announcement, for the purpose of illustration only, amounts quoted in CNH and US$ have been converted into HK$ at the rates of CNH1 to HK$1.18 and US$1 to HK$7.8, respectively. Such exchange rates have been used, where applicable, for the purpose of illustration only and do not constitute a representation that any amounts were or may have been exchanged at these or any other rates or at all.

* *For identification purposes only. The English names are only translations of the official Chinese names. In case of inconsistency, the Chinese names prevail.*

By order of the Board
CSSC (Hong Kong) Shipping Company Limited
Li Hongtao
Chairman

Hong Kong, 17 November 2026

As at the date of this announcement, the Board comprises Mr. Li Hongtao and Mr. Liu Hui as executive Directors, Mr. Xie Weizhong and Mr. Chi Benbin as non-executive Directors, and Mr. Wang Dennis, Mdm. Shing Mo Han Yvonne, BBS, JP and Mr. Li Hongji as independent non-executive Directors.