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

If you have sold or transferred all your shares in COSCO SHIPPING International (Hong Kong) Co., Ltd., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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中遠海運國際(香港)有限公司

COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 00517)

CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTION

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

BALLAS
C A P I T A L

A letter from the Independent Board Committee is set out on page 26 of this circular.

A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 27 to 48 of this circular.

A notice convening the SGM to be held at 47/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Tuesday, 23 December 2025 at 10:00 a.m. is set out on pages 53 to 54 of this circular. Whether or not you are able to attend and/or vote at the SGM in person, you are requested to complete the enclosed form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

27 November 2025

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 30 October 2025 in relation to, among other things, the Continuing Connected Transactions and the Caps;
“associate(s)”	the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company as may be amended from time to time;
“Caps”	for the purpose of Chapter 14A of the Listing Rules, means the proposed annual caps of the New Agreements (except the annual caps for the loan services contemplated under the New Financial Services Master Agreement) for each of the three financial years ending 31 December 2028 set out under the section headed “CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTION” in the “LETTER FROM THE BOARD” in this circular;
“close associate(s)”	the meaning ascribed to it in the Listing Rules;
“Company”	COSCO SHIPPING International (Hong Kong) Co., Ltd., a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	the meaning ascribed to it in the Listing Rules;
“Continuing Connected Transactions”	the New Master Supply Agreement, the New Financial Services Master Agreement and the transactions contemplated thereunder (except the loan services contemplated under the New Financial Services Master Agreement);
“COSCO SHIPPING”	中國遠洋海運集團有限公司 (China COSCO Shipping Corporation Limited*), a company established in the PRC which is a PRC state-owned enterprise and the ultimate holding company of COSCO SHIPPING (Hong Kong) and the Company;

DEFINITIONS

“COSCO SHIPPING Entities”	for the purposes of the New Financial Services Master Agreement, means COSCO SHIPPING and companies of which COSCO SHIPPING is the controlling shareholder (within the meaning of the PRC Company Law) (the “ controlled companies ”), companies held directly or indirectly by COSCO SHIPPING and the controlled companies individually or jointly as to more than 20% (or directly held as to less than 20% but with COSCO SHIPPING and the controlled companies being the largest shareholders), and enterprise legal entities (事業單位法人) and social organisation legal entities (社會團體法人) under COSCO SHIPPING or the controlled companies;
“COSCO SHIPPING Finance”	中遠海運集團財務有限責任公司 (COSCO Shipping Finance Co. Limited*), a company established in the PRC and a subsidiary of COSCO SHIPPING;
“COSCO SHIPPING Group”	COSCO SHIPPING, COSCO SHIPPING (Hong Kong) and their subsidiaries and associates (other than the Group);
“COSCO SHIPPING (Hong Kong)”	COSCO SHIPPING (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and the immediate holding company of the Company which is wholly-owned by COSCO SHIPPING;
“Directors”	the directors of the Company;
“Existing Agreements”	collectively, the Existing Master Supply Agreement and the Existing Financial Services Master Agreement;
“Existing Financial Services Master Agreement”	the master agreement entered into between the Company and COSCO SHIPPING Finance dated 18 October 2022 in respect of the provision of a range of financial services by COSCO SHIPPING Finance to the Group for the three financial years ending 31 December 2025;
“Existing Master Supply Agreement”	the master agreement entered into between the Company and COSCO SHIPPING (Hong Kong) dated 18 October 2022 in respect of the provision of marine and general insurance brokerage services and other services and the provision of shipping services and sale of shipping related and other materials and products by the Group to the COSCO SHIPPING Group for the three financial years ending 31 December 2025;

DEFINITIONS

“Green Intelligence Ship Services”	中遠海運綠色數智船舶服務有限公司 (COSCO SHIPPING Green Digital Intelligence Ship Services Co., Ltd.*), a joint venture established by the Company and 中遠海運科技股份有限公司 (COSCO SHIPPING Technology Co., Ltd.*);
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent board committee of the Company comprising Mr. Tsui Yiu Wa, Alec, Mr. Jiang, Simon X. and Mr. Kwong Che Keung, Gordon to advise the Independent Shareholders in relation to the Continuing Connected Transactions and the Caps;
“Independent Financial Adviser”	Ballas Capital Limited, being a licensed corporation to carry out Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities as defined under the SFO;
“Independent Shareholder(s)”	Shareholder(s) other than COSCO SHIPPING, COSCO SHIPPING (Hong Kong) and any of their respective associates;
“Latest Practicable Date”	24 November 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Agreements”	collectively, the New Master Supply Agreement and the New Financial Services Master Agreement;
“New Financial Services Master Agreement”	the master agreement entered into between the Company and COSCO SHIPPING Finance dated 30 October 2025 in respect of the provision of a range of financial services by COSCO SHIPPING Finance to the Group, particulars of which are set out in the sub-section headed “CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION — THE NEW FINANCIAL SERVICES MASTER AGREEMENT” in the section headed “CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTION” in the “LETTER FROM THE BOARD” in this circular;

DEFINITIONS

“New Master Supply Agreement”	the master agreement entered into between the Company and COSCO SHIPPING (Hong Kong) dated 30 October 2025 in respect of the provision of marine and general insurance brokerage services and other services and the provision of shipping services and sale of shipping related and other materials and products by the Group to the COSCO SHIPPING Group, particulars of which are set out in the sub-section headed “CONTINUING CONNECTED TRANSACTION — THE NEW MASTER SUPPLY AGREEMENT” in the section headed “CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTION” in the “LETTER FROM THE BOARD” in this circular;
“NFRA”	National Financial Regulatory Administration;
“PBOC”	The People’s Bank of China (中國人民銀行), the central bank of the PRC;
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan);
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be held to approve the Continuing Connected Transactions and the Caps;
“Share(s)”	the share(s) of the Company;
“Shareholder(s)”	the holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC;
“USD”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

* for identification purposes only

LETTER FROM THE BOARD



中遠海運國際(香港)有限公司
COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.
(Incorporated in Bermuda with limited liability)
(Stock Code: 00517)

Executive Directors:

Mr. Zhu Changyu

(Chairman and Managing Director)

Mr. Wang Yong

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Non-executive Directors:

Mr. Ma Xianghui

Ms. Zhang Xueyan

Head office and

Principal Place of Business:

47th Floor, COSCO Tower

183 Queen's Road Central

Hong Kong

Independent non-executive Directors:

Mr. Tsui Yiu Wa, Alec

Mr. Jiang, Simon X.

Mr. Kwong Che Keung, Gordon

27 November 2025

To the Shareholder(s)

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTION

BACKGROUND

Reference is made to the Announcement.

The Group has been carrying on transactions pursuant to the Existing Agreements which constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules as disclosed in the following announcements and circular of the Company:

- (a) the announcement dated 18 October 2022 and the supplemental announcement dated 8 November 2022 in relation to, among other things, the Existing Agreements; and
- (b) the circular dated 14 November 2022 in relation to, among other things, the Existing Master Supply Agreement and the Existing Financial Services Master Agreement.

LETTER FROM THE BOARD

The Existing Agreements will expire on 31 December 2025 and it is expected that the Group will continue to enter into transactions of a nature similar to the transactions under those agreements from time to time thereafter. In view of the above, on 30 October 2025, the Company entered into the New Master Supply Agreement and the New Financial Services Master Agreement.

The purpose of this circular is to provide you with, among other things, (a) further information on the Continuing Connected Transactions and the Caps; (b) the recommendation from the Independent Board Committee; (c) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (d) a notice of the SGM.

CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTION

(A) CONTINUING CONNECTED TRANSACTION — THE NEW MASTER SUPPLY AGREEMENT

On 30 October 2025, the Company entered into the New Master Supply Agreement which constitutes a continuing connected transaction of the Company subject to the reporting, announcement, shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules:

The principal terms of the New Master Supply Agreement are set out below:

Date: 30 October 2025

Parties: The Company; and
COSCO SHIPPING (Hong Kong)

Subject matter: (1) Provision of marine and general insurance brokerage services and other services^(Note) by the relevant member(s) of the Group to the relevant member(s) of the COSCO SHIPPING Group; and

Note: Such other services, if any, are not expected to be significant.

LETTER FROM THE BOARD

- (2) Provision of shipping services, sale of shipping related materials and products and sale of other materials and products by the relevant member(s) of the Group to the relevant member(s) of the COSCO SHIPPING Group, including without limitation:
- (a) the provision of ship agency services in relation to shipbuilding, ship trading, chartering businesses and the sale and purchase of marine equipment and other related services and the provision of intelligent shipping services;
 - (b) the provision of supply and installation, repair, logistics and agency services in relation to (i) ship facilities and accessories, which include equipment, materials, spare parts for vessels, oil drills, projects at sea or on land and ports, (ii) radio communication, satellite communication, navigation equipment and other materials, and (iii) construction materials and facilities, chemicals and information management systems; and
 - (c) the sale of coatings.

Duration: From 1 January 2026 to 31 December 2028 (both dates inclusive)

Terms and fees: The transactions contemplated under the New Master Supply Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis and the service fees, commission, brokerage income and the consideration for the sale of materials and products shall be at market rates or rates no less favourable to the relevant member(s) of the Group than those available to independent third parties.

Please refer to the sub-section headed "Pricing policies" for details of the pricing policies.

Others: The New Master Supply Agreement is conditional upon the approval by the Independent Shareholders of the New Master Supply Agreement and the Caps in relation thereto.

LETTER FROM THE BOARD

At any time during the term of the New Master Supply Agreement, the relevant member(s) of the COSCO SHIPPING Group and the relevant member(s) of the Group may from time to time enter into individual agreement(s), or purchase order(s) may be issued by the relevant member(s) of the COSCO SHIPPING Group to the relevant member(s) of the Group and approved by the latter, or invoice(s) or sales order(s) may be issued by the relevant member(s) of the Group to the relevant member(s) of the COSCO SHIPPING Group and approved by the latter (as appropriate) from time to time in relation to any of the products, services or other subject matters contemplated under the New Master Supply Agreement upon and subject to the terms and conditions in compliance with those of the New Master Supply Agreement as may be agreed between the relevant parties.

Pricing policies:

Service fees

The amount of service fees payable by the COSCO SHIPPING Group under the New Master Supply Agreement will be mainly determined by pre-determined formulae adopted by the Group. In particular, (i) the insurance brokerage services; (ii) the ship agency services; (iii) most of the intelligent shipping services (such as those relating to spare parts); and (iv) the supply and installation, repair, logistics and agency services (as referred to in paragraphs (1), (2)(a) and (2)(b) of the sub-section headed “Subject matter” above respectively) will be charged at certain fixed percentages of the value of the subject matter. By way of example, (i) the insurance brokerage services will be calculated by multiplying the premium by a certain fixed percentage; and (ii) the provision of ship trading services in relation to shipbuilding will be calculated by multiplying the price of the vessel by a certain fixed percentage.

For some other intelligent shipping services (such as those relating to fuel), the amount of service fees will be calculated at fixed per unit consideration of the subject matter.

In each case, the fixed percentages or fixed per unit consideration (as the case may be) shall not be lower than the market rates for comparable services as determined in the manner set out below. The amount of service fees adopting other pricing policies, if any, is expected to be minimal.

Prices for sale of materials and products

The prices for sale of materials and products offered to the COSCO SHIPPING Group shall not be lower than the market rates for similar materials and products (based on similar amount and similar specifications) as determined in the manner set out below.

LETTER FROM THE BOARD

Determination of market rates

For the purpose of determining the market rates for services fees and the prices for sale of materials and products, the relevant sales department of the related companies within the Group will consider (for service fees) the certain fixed percentages of the value, or the fixed per unit consideration, of the subject matter at which the provision of comparable services to independent third party customers is charged and (for prices for sale of materials and products) the prices offered to independent third party customers in respect of similar types of materials and products (based on similar amount and similar specifications) respectively and compare to those offered to the COSCO SHIPPING Group. In particular, at least three independent third party customers will be used for comparison.

Historical amounts:

The annual caps of the transactions contemplated under the Existing Master Supply Agreement in respect of the financial years ended 31 December 2023, 2024 and 2025 are HK\$2,513,000,000, HK\$2,723,000,000, and HK\$2,950,000,000 respectively.

The aggregate amounts recognised by the Group for the transactions contemplated under the Existing Master Supply Agreement in respect of each of the financial years ended 31 December 2023 and 31 December 2024 and the nine months ended 30 September 2025 were HK\$1,680,404,789, HK\$2,119,739,711 and HK\$1,920,308,791 respectively.

The utilisation rate of the cap for 2023 was relatively low (66.9%), mainly due to the decrease in the demand and sales volume of container coatings during that year (which, as disclosed in the annual report of the Company for the financial year ended 31 December 2023, recorded a 23% year-on-year decrease in revenue from the coatings segment). The utilisation rate subsequently improved to 77.8% in 2024 and further to 65.1% for the nine months ended 30 September 2025 (or 86.8% on an annualised basis).

Caps and basis of determination of such Caps:

The Caps of the transactions contemplated under the New Master Supply Agreement and the basis of determination of such Caps are set out as follows:

	Caps for the year ending 31 December		
	2026	2027	2028
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Aggregate amount receivable by the Group for transactions contemplated under the New Master Supply Agreement	3,112,000,000	3,279,000,000	3,467,000,000

LETTER FROM THE BOARD

In determining the above Caps, the Company has (a) considered the historical transaction amounts; (b) examined and compared the recent performance of the relevant member(s) of the Group for the two financial years ended 31 December 2023 and 31 December 2024 and the nine months ended 30 September 2025; (c) interviewed the management of the relevant member(s) of the Group to obtain opinion on the forecasts of the transactions contemplated under the New Master Supply Agreement for the financial years of 2026 to 2028; and (d) considered the growth trend of the relevant businesses and the market conditions and in particular the following factors:

- (i) the recent price movements and trend of the vessels and the trend of shipping market in the forthcoming years (including the increase in shipbuilding within the COSCO SHIPPING Group, being one of the largest shipowners in the world, and across the global shipping market). According to Clarksons Research, (i) it is expected that the COSCO SHIPPING Group will receive delivery of more than 180 vessels, representing more than 20 million deadweight tonnage (DWT) and more than 6 million compensated gross tonnage (CGT), during the period from 2026 to 2028; and (ii) the global newbuild deliveries are projected to reach 50.9 million CGT in 2026, representing a 12.5% increase from 2025, and are expected to rise further to 54.9 million CGT in 2028, with the PRC accounting for the largest share and more than half of the deliveries. The growing trend of shipbuilding activities will in turn drive a higher demand for the Group's services and hence a growth in the Group's insurance brokerage business, coatings business, and ship trading business, etc.;
- (ii) the expected increase in demand for ship trading agency services, shipping related materials, communications and navigation equipment and spare parts for newbuild and existing vessels. As disclosed in the interim report of the Company for the six months ended 30 June 2025, newbuild orders during the said period rose to 58 vessels as compared to 19 vessels for the corresponding period in 2024, indicating a materially larger forward pipeline of agency opportunities that is expected to translate into higher commission income;
- (iii) the expected increase in demand for insurance brokerage services from members of the COSCO SHIPPING Group and from reinsurance business in the forthcoming years as well as the steady growth in premium in the heavy machinery and ports sector in recent year, which are expected to drive a 3% growth in premium per annum;
- (iv) the premium rate movements and trend quoted by insurance underwriters. As disclosed in the interim report of the Company for the six months ended 30 June 2025, there were substantial premium rate increases in hull, protection and indemnity, and war risk insurance, which collectively boosted the Group's commission income during the period. These premium rate increases persisted after 30 June 2025. Furthermore, the anticipated upward adjustment in the premium rates of certain insurance products, coupled with the rapid surge in claims, rising medical expenses and repair costs as well as frequent extreme weather events, are expected to drive a 6% to 7% growth in premium per annum;

LETTER FROM THE BOARD

- (v) the expected periodic fluctuations and growth in demand for coatings from container manufacturers within the COSCO SHIPPING Group, which are based on the performance of the coatings segment of the Group in recent years (which recorded a notable fluctuation in revenue, rising from HK\$1,085,028,000 in 2020 to HK\$1,685,183,000 in 2021, then declining to HK\$1,067,153,000 in 2022 and further to HK\$826,045,000 in 2023, before rebounding to HK\$1,344,147,000 in 2024, as disclosed in the annual reports of the Company for the relevant financial years) and the expected increase in newbuild vessels as mentioned above; and
- (vi) the expected increase in demand for the intelligent shipping services provided by Green Intelligence Ship Services. While Green Intelligence Ship Services was relatively newly established, its operations are expected to mature and diversify gradually, with an expected business growth rate of around 10% per annum.

In view of the basis for determining the above Caps as set out above, both qualitative and quantitative, the Board considers that the above Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Relationship between the Company and the connected persons:

Being the ultimate holding company and immediate holding company of the Company respectively, COSCO SHIPPING and COSCO SHIPPING (Hong Kong) together with their respective associates are connected persons of the Company. Accordingly, the New Master Supply Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

Listing Rules implications:

As the applicable percentage ratios for the Caps of the transactions contemplated under the New Master Supply Agreement are expected to be higher than 5% on an annual basis, such transactions are subject to the reporting, announcement, shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

(B) CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION — THE NEW FINANCIAL SERVICES MASTER AGREEMENT

On 30 October 2025, the Company entered into the New Financial Services Master Agreement which constitutes a continuing connected transaction of the Company subject to the reporting, announcement, shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules (except for the loan services contemplated under the New Financial Services Master Agreement, which are fully exempt pursuant to Rule 14A.90 of the Listing Rules). The provision of deposit services and the other financial services (except loan services) under the New Financial Services Master Agreement also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The principal terms of the New Financial Services Master Agreement are set out below:

Date: 30 October 2025

Parties: The Company; and

COSCO SHIPPING Finance

Subject matter: Provision of a range of financial services, including the deposits services, loan services (except for loans to be secured by the assets of the relevant member(s) of the Group), clearing services, remittance services, entrusted loan services (as lending agent in entrusted loan arrangements among members of the Group), acceptance bill issuance services, foreign exchange services, and other services which may be provided by COSCO SHIPPING Finance as approved by the NFRA, by COSCO SHIPPING Finance to the Group.

Duration: From 1 January 2026 to 31 December 2028 (both dates inclusive)

Terms and fees: The transactions contemplated under the New Financial Services Master Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis and the terms of the transactions (including the interest receivable by the Group and the fees (including the service fees and handling charges) payable by the Group) shall be at market rates or rates no less favourable than those offered by COSCO SHIPPING Finance to independent third parties or those offered to the relevant member(s) of the Group by independent third parties (as appropriate).

Other than the deposits which have specified deposit terms or notice period, the Group may at any time withdraw the funds deposited with COSCO SHIPPING Finance without incurring any penalty.

Please refer to the sub-section headed "Pricing policies" for details of the pricing policies.

Others: The New Financial Services Master Agreement is conditional upon the approval by the Independent Shareholders of the New Financial Services Master Agreement (except the loan services contemplated thereunder) and the Caps in relation thereto.

LETTER FROM THE BOARD

At any time during the term of the New Financial Services Master Agreement, COSCO SHIPPING Finance and the relevant member(s) of the Group may from time to time enter into individual agreement(s), or invoice(s) may be issued by COSCO SHIPPING Finance to the relevant member(s) of the Group and approved by the latter (as appropriate) in relation to any of the services contemplated under the New Financial Services Master Agreement upon and subject to the terms and conditions in compliance with those of the New Financial Services Master Agreement as may be agreed between the relevant parties.

Pricing policies:

Pricing policies to be adopted by COSCO SHIPPING Finance in determining the interest payable to or receivable by the Group (as appropriate) or service fees payable by the Group for the services (except the loan services contemplated under the New Financial Services Master Agreement) are set out below:

Service nature:

Deposit services

Pricing principles:

Subject to compliance with the interest rate policies of the PBOC, the interest rate for such deposit services shall:

- (a) be no lower than, no less favourable than, and determined on an arm's length basis with reference to, the market interest rates (being the interest rates offered by at least three independent third party commercial banks and/or financial institutions providing the same type of deposit services on normal commercial terms in their ordinary course of business in the same or nearby service area); and
- (b) be determined also with reference to the interest rates offered by COSCO SHIPPING Finance to other COSCO SHIPPING Entities with the same qualities for the same type of deposit in the same period of time.

Clearing services

No service fee will be charged by COSCO SHIPPING Finance for the time being.

LETTER FROM THE BOARD

Other services

Service fees for other services (including but not limited to foreign exchange services) shall be:

- (a) no higher than the fee standards prescribed by the PBOC or the NFRA for the same type of financial services;
- (b) no higher than those charged by at least three independent third party commercial banks in the PRC for services of similar nature; and
- (c) no higher than those charged by COSCO SHIPPING Finance to other COSCO SHIPPING Entities for similar services.

Historical amounts:

The highest daily cash balance(s) of all cash deposits accounts of member(s) of the Group maintained with COSCO SHIPPING Finance (together with interests accrued thereon) under the Existing Financial Services Master Agreement in respect of each of the financial years ended 31 December 2023 and 31 December 2024 and the nine months ended 30 September 2025 were RMB685,323,356, RMB709,677,411 and RMB686,181,468 respectively.

For each of the financial years ended 31 December 2023 and 31 December 2024 and the nine months ended 30 September 2025, no loans services were provided by COSCO SHIPPING Finance to the Group under the Existing Financial Services Master Agreement.

The fees (including service fees and handling charges) charged by COSCO SHIPPING Finance for the financial services under the Existing Financial Services Master Agreement in respect of each of the financial years ended 31 December 2023 and 31 December 2024 and the nine months ended 30 September 2025 amounted to RMB44,948, RMB39,396 and RMB24,823 respectively.

LETTER FROM THE BOARD

Caps and basis of determination of such Caps:

The Caps of the transactions contemplated under the New Financial Services Master Agreement and the basis of determination of such Caps are set out as follows:

	Caps for the year ending 31 December		
	2026	2027	2028
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Amount of daily cash balance(s) of all cash deposits accounts of the member(s) of the Group maintained with COSCO SHIPPING Finance (together with interests accrued thereon) and all fees (including service fees and handling charges for the clearing services, remittance services, entrusted loan services, acceptance bill issuance services, foreign exchange services, and other services which may be provided by COSCO SHIPPING Finance as approved by the NFRA) payable by the Group to COSCO SHIPPING Finance for transactions (except transactions in connection with the provision of loan services) contemplated under the New Financial Services Master Agreement	810,000,000	815,000,000	820,000,000

In determining the above Caps, the Company has (a) considered the historical transaction amounts; (b) interviewed the management of the relevant member(s) of the Group to obtain opinion on the anticipated cash flow demand based on current scale and daily operation of the relevant businesses and the forecasts of the transactions contemplated under the New Financial Services Master Agreement for the financial years of 2026 to 2028; (c) considered the expected macroeconomic environment of the relevant businesses and in particular the strategies of the treasury management of the Group taking into account the business development plans, financial needs and anticipated cash flows of the Group as well as the sustainable business development of the Group (and in particular, (i) the expected increase in cash inflows arising from the expected growth of the ship trading, insurance and marine equipment supply businesses of the Group; and (ii) the expected funding requirements of Green Intelligence Ship Services' research and development projects and of the coating business of the Group (which has a credit-based sales model with bulk ordering patterns)); and (d) considered the expected demand of the

LETTER FROM THE BOARD

Group for deposit services provided by COSCO SHIPPING Finance as a result of its competitive edge over other financial services providers becoming more apparent, arising from continuing improvement in its services which can better serve the development needs of the Group.

The Group receives cash deposits from (i) ship buyers under the ship trading agency services business; (ii) buyers under the coating business; (iii) buyers under the trading business; and (iv) insurance policy holders under the insurance brokerage services. The following is an analysis of the components of the above Caps:

- (i) Approximately 35.8%, or RMB290 million, of the above Cap for 2026 is attributable to the deposit for the Group's ship trading agency services business. The cap amount for such business remains the same as that for 2026, 2027 and 2028. In relation to the ship trading agency services business, the Company expects that the vessel value of ships traded by the Group will be between around USD20 million to USD30 million per ship. Therefore, assuming the Company receives deposits from ship buyers for two vessels around the same period of time, it is possible for the Group to have occasional inflow of substantial amount of cash deposits.
- (ii) Approximately 30.9%, or RMB250 million, of the above Cap for 2026 is attributable to the deposit for the Group's coating business. The cap for 2027 for the Group's coating business is estimated to increase by 4.0% compared with 2026, while the 2028 cap for such business is proposed to remain the same as 2027. In determining these caps, management has taken into account the deposits placed with COSCO SHIPPING Finance during the historical period.
- (iii) Approximately 17.9%, or RMB145 million, of the above Cap for 2026 is attributable to the deposit for the Group's insurance brokerage and intelligent shipping services. The cap amount for each of 2027 and 2028 for the deposit for the insurance brokerage and intelligent shipping services is estimated to increase by approximately 3.4% to RMB150 million and by approximately 3.3% to RMB155 million, respectively, as compared to the preceding year. The management of the Company has mainly taken into account (i) the deposits placed with COSCO SHIPPING Finance during the historical period; and (ii) expected growth in the insurance brokerage business.
- (iv) Approximately 15.4%, or RMB125 million, of the above Cap for 2026 is attributable to the deposit for the trading business by the Group. The cap amount for such business reduces to RMB115 million for 2027 and 2028. In determining the relevant cap for the deposit from trading business, the management has taken into account (i) the growth of the trading business and (ii) the possibility of temporary spikes in cash balances on days when settlements from customers are received in a concentrated manner. The decrease in the cap amount for 2026 for such business as compared to the historical cap amounts is mainly attributable to the Group's gradual exit of the asphalt business.

LETTER FROM THE BOARD

Furthermore, the above Caps for each of the three financial years ending 31 December 2028 represent only approximately 17.6%, 17.7% and 17.8% of the Group's total current deposits and cash and cash equivalents of approximately HK\$5,053.4 million as at 30 June 2025, respectively.

In view of the basis for determining the above Caps as set out above, both qualitative and quantitative, the Board considers that the above Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Since the historical amounts of the service fees and handling charges for the financial services are immaterial and the Board currently expects that such service fees and handling charges will be immaterial during the term of the New Financial Services Master Agreement, the Company considers that there is no need to set separate caps solely for such service fees and handling charges.

Relationship between the Company and the connected persons:

COSCO SHIPPING Finance is a subsidiary of COSCO SHIPPING, the ultimate holding company of the Company. Therefore, COSCO SHIPPING Finance is an associate of COSCO SHIPPING and a connected person of the Company. Accordingly, the New Financial Services Master Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

Listing Rules implications:

As the applicable percentage ratios for the Caps of the transactions contemplated under the New Financial Services Master Agreement (except the loan services to be provided by COSCO SHIPPING Finance, which are fully exempt pursuant to Rule 14A.90 of the Listing Rules as mentioned below) are expected to be higher than 5% on an annual basis, such transactions and the Caps in relation thereto are subject to the reporting, announcement, shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The provision of deposit services to the Group under the New Financial Services Master Agreement also constitutes the provision of financial assistance by the Group to COSCO SHIPPING Finance under Rule 14.04(1)(e) of the Listing Rules. Since the highest applicable percentage ratio for the provision of such deposit services and the other financial services (except loan services) under the New Financial Services Master Agreement exceeds 5% but is less than 25%, it constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements thereunder.

The provision of loan services to the Group under the New Financial Services Master Agreement also constitutes the provision of financial assistance to the Group by COSCO SHIPPING Finance. As the loan transactions will be conducted on normal commercial terms or better and they will not be secured by the assets of the Group, the loan transactions contemplated under the New Financial Services Master Agreement are fully exempt from shareholders' approval, annual review and all disclosure requirements

LETTER FROM THE BOARD

pursuant to Rule 14A.90 of the Listing Rules. As disclosed in the Announcement, the annual caps for such loan transactions for each of the financial years ending 31 December 2026, 31 December 2027 and 31 December 2028 are RMB150,000,000, RMB170,000,000 and RMB200,000,000 respectively.

Capital Risk Control Measures under the New Financial Services Master Agreement:

Under the New Financial Services Master Agreement, COSCO SHIPPING Finance shall:

- (a) use its best endeavours and take all reasonable measures to ensure the deposits of the Group will be used primarily for the provision of fund transfer services and entrustment loan services to the Group;
- (b) in order to ensure the security of the funds of the member(s) of the Group, ensure that the funds management information systems (i) operate safely, (ii) have all passed the security test in respect of the interface with online banking of commercial banks, (iii) have attained the security standards on par with that of commercial banks in the PRC, and (iv) have all adopted the security certificate authentication system;
- (c) operate strictly in compliance with the risk monitoring indicator guidelines for finance companies issued by the NFRA from time to time, and ensure that its main regulatory indicators such as capital adequacy ratio and liquidity ratio comply with the requirements of the NFRA and other relevant PRC laws and regulations;
- (d) ensure that within 3 business days after submission of regulatory report to the NFRA, a copy of the same will be submitted to the Company's senior management and executive Directors for review;
- (e) ensure that monthly financial statements will be submitted to the Company's senior management and executive Directors for review on the fifth business day of the following month, and provide the Company with sufficient information on its various financial indicators and semi-annual and annual financial statements to enable the Group to monitor and review its financial conditions;
- (f) cooperate with the Company in allowing the Company to appoint professional institutions and personnel to proactively assess and monitor the risks of funds deposited with COSCO SHIPPING Finance and provide the Company's auditors with records of the transactions under the New Financial Services Master Agreement upon reasonable prior notice so that the Company's auditors can report on the matters contemplated under the New Financial Services Master Agreement in accordance with the requirements of the Listing Rules;
- (g) obtain the Company's prior written consent if COSCO SHIPPING Finance makes any long-term equity investment; and

LETTER FROM THE BOARD

- (h) notify the Company in writing within 2 business days upon occurrence of the following events to COSCO SHIPPING Finance and take measures to prevent the occurrence or aggravation of loss, and cooperate with the Company in complying with information disclosure obligations:
 - (i) impending or anticipated bank runs, failure to pay debts when due, funds liquidity problems, substantial amount of loan overdue or large advance on guarantee, serious computer system failure, robbery or fraud;
 - (ii) involvement of directors or senior management in material events such as criminal cases;
 - (iii) material change in its equity or corporate structure or business operations that affects its normal business;
 - (iv) material operational risks which affect or may affect its normal operations;
 - (v) debts owing by its shareholders to it being overdue by over 6 months;
 - (vi) serious payment crises;
 - (vii) its loss exceeding 30% of its registered capital in a given year or exceeding 10% of its registered capital for 3 consecutive years;
 - (viii) non-compliance of any regulatory indicator with the requirements under 《企業集團財務公司管理辦法》 (the Measures for the Administration of Finance Companies of Enterprise Groups*);
 - (ix) material administrative penalty and orders for rectification imposed by regulatory authorities such as the NFRA;
 - (x) judicial, legal or regulatory proceedings or investigations which have a material impact on its financial position; or
 - (xi) the occurrence of other matters which may adversely affect or create significant security concerns on the deposits of the members of the Group.

In such events, COSCO SHIPPING Finance shall actively adjust its balance sheet, cooperate with the Company's relevant risk response requirements in a timely manner, and effectively control and eliminate the risks, in order to ensure the security of the relevant assets of the members of the Group, and the members of the Group shall have the right to adopt appropriate measures (including early withdrawal of deposits or suspension of the making of further deposits) to safeguard their assets. In addition, in the event of emergencies such as payment difficulties of COSCO SHIPPING Finance, pursuant to the Measures for the Administration of Finance Companies of Enterprise Groups and the articles of association of COSCO SHIPPING Finance, COSCO SHIPPING Finance shall ensure COSCO SHIPPING (as the parent company of

* for identification purposes only

LETTER FROM THE BOARD

COSCO SHIPPING Finance) will increase the capital of COSCO SHIPPING Finance in accordance with its actual needs for resolving its payment difficulties.

Further, under the New Financial Services Master Agreement, if any member of the Group cannot withdraw all or any of the deposits placed with COSCO SHIPPING Finance, the Group has the right to offset the deposit amounts owing by COSCO SHIPPING Finance to the relevant member(s) of the Group against the loans advanced by COSCO SHIPPING Finance to the relevant member(s) of the Group. On the other hand, if any member of the Group is unable to repay all or any of the loans advanced by COSCO SHIPPING Finance to the relevant member(s) of the Group, COSCO SHIPPING Finance has the right to offset the deposits placed by the relevant member(s) of the Group with COSCO SHIPPING Finance against the outstanding loan amounts owing by the relevant member(s) of the Group to COSCO SHIPPING Finance, which the Directors consider to be a normal commercial term and in line with market practice given that such term is commonly adopted by commercial banks in the PRC.

The finance & accounting division of the Company will monitor the interest rates on deposits as well as service fees charged for other financial services by other major commercial banks in the PRC as shown on their respective official websites from time to time.

In respect of the deposits placed by the Group with COSCO SHIPPING Finance, the articles of association of COSCO SHIPPING Finance states that COSCO SHIPPING (being the ultimate holding company of the Company) has undertaken to increase the capital of COSCO SHIPPING Finance in the event that COSCO SHIPPING Finance has difficulty in fulfilling its payment obligation. In addition, COSCO SHIPPING has issued a letter of undertaking to the Company, pursuant to which COSCO SHIPPING has unconditionally and irrevocably undertaken that it will, among other things, (i) maintain its effective control over COSCO SHIPPING Finance and guarantee the proper and orderly operation of COSCO SHIPPING Finance; (ii) use its best endeavours and take all reasonable measures to procure COSCO SHIPPING Finance to comply with its obligations in relation to the deposit services under the New Financial Services Master Agreement; and (iii) be responsible for all losses suffered by the Group arising from any failure by COSCO SHIPPING Finance to perform its obligations under the New Financial Services Master Agreement. These provide an assurance to the Group on the safety and liquidity of the Group's deposited funds with COSCO SHIPPING Finance.

The finance & accounting division of the Company will closely monitor the transactions under the New Financial Services Master Agreement and will report to the management of the Company on a regular basis.

The aforesaid capital risk control measures will be able to mitigate the financial risks which may be exposed to the Company to the largest extent, and safeguard the interests of the Company and the Shareholders. The Directors are of the view that the above capital risk control measures are reasonable and effective in monitoring the relevant transactions in all material respects.

LETTER FROM THE BOARD

In addition, the Company has been advised that the operations of COSCO SHIPPING Finance are approved by the NFRA. To the best of the Directors' knowledge and belief having made all reasonable enquiries, COSCO SHIPPING Finance has been in compliance with all the major financial services rules and regulations and has sound internal control systems. COSCO SHIPPING Finance can provide financial services, including deposit services, based on the approval issued by the NFRA.

In considering the financial position of COSCO SHIPPING Finance, the Company reviewed the financial information of COSCO SHIPPING Finance for the year ended 31 December 2024 and the six months ended 30 June 2025 and noted that COSCO SHIPPING Finance recorded net assets of approximately RMB24.7 billion and RMB24.5 billion as at 31 December 2024 and 30 June 2025 respectively. The Company has also reviewed the annual risk management assessment report for the six months ended 30 June 2025 prepared by COSCO SHIPPING Finance summarising the current financial position of COSCO SHIPPING Finance and noted that various financial ratios of COSCO SHIPPING Finance were in compliance with the regulations as set out in 《企業集團財務公司管理辦法》(the Measures for the Administration of Finance Companies of Enterprise Groups*) issued by the NFRA.

Given that COSCO SHIPPING Finance (i) is under the supervision of the NFRA and has been in compliance with all the major financial services rules and regulations, (ii) has been maintaining satisfactory profitability, operating results and financial position with sound internal control systems and well-regulated management, and (iii) has no historical defaults in the transactions with the Company in its track record, the Directors are of the view that the credit risks in relation to the deposit services under the New Financial Services Master Agreement are manageable.

PAYMENT TERMS

For the transactions contemplated under the New Master Supply Agreement, payment terms will vary from 30 days to 120 days credits depending on the market practices for different categories of services and transactions contemplated thereunder.

For the transactions contemplated under the New Financial Services Master Agreement, payment terms will be agreed with reference to customary business practices.

Given that the payment terms with various trading parties including the COSCO SHIPPING Group and other independent third parties are determined after considering certain applicable factors including the types of the respective trading parties' transaction and payment history, market position and creditworthiness, and all payment terms under the New Agreements will be negotiated on arm's length basis which are in line with prevailing market practices and are no less favourable to the Group than those available to or from independent third party, the Board is of the view that the payment terms of the New Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

* for identification purposes only

LETTER FROM THE BOARD

INFORMATION ON THE GROUP AND THE CONNECTED PERSONS

The Group is principally engaged in the provision of shipping services and general trading.

The COSCO SHIPPING Group is one of the largest shipowners in the world.

COSCO SHIPPING is principally engaged in shipping, terminal, logistics, shipping finance, equipment manufacturing and shipping services, etc..

COSCO SHIPPING (Hong Kong) is principally engaged in shipping services, expressways investment, property investment and management, information technology and industrial manufacturing, etc..

COSCO SHIPPING Finance is a non-bank financial institution approved and regulated by the PBOC and the NFRA and is principally engaged in providing financial services to the COSCO SHIPPING Group.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTION

By entering into the New Master Supply Agreement and the transactions contemplated thereunder, the Group will benefit in securing the market share and be facilitated to develop further business in relation to the shipping services businesses.

By entering into the New Financial Services Master Agreement and the transactions contemplated thereunder, the Group will benefit in negotiating more favourable terms with COSCO SHIPPING Finance, an intra-group service provider, as compared with other commercial banks or financial institutions. In view of the cooperation history between COSCO SHIPPING Finance and the Company, the Group is expected to benefit from COSCO SHIPPING Finance's better understanding of the operations of the Group which should allow more expedient and efficient service provision than those offered by PRC commercial banks.

The Directors (including the independent non-executive Directors) are of the view that the Continuing Connected Transactions are and will be entered into in the ordinary and usual course of business of the Group and are and will be on normal commercial terms and the terms thereof and the Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors is a party to the New Agreements or a shareholder of COSCO SHIPPING (Hong Kong) or COSCO SHIPPING Finance and none of the Directors will be involved in the negotiation of the individual agreements contemplated under the New Agreements nor derive personal gains from the Group entering into the transactions contemplated under the New Agreements. As such, none of the Directors has a material interest in the New Agreements. Accordingly, none of them is required to abstain from voting on the relevant board resolutions to approve the execution of the New Agreements, the transactions contemplated thereunder and the Caps under the Bye-laws or the Listing Rules. For good corporate governance practices, Mr. Zhu Changyu (an executive Director who is also

LETTER FROM THE BOARD

a director of COSCO SHIPPING (Hong Kong)), Mr. Ma Xianghui (a non-executive Director who is also a director of COSCO SHIPPING (Hong Kong), the chairman of COSCO SHIPPING Finance and the general manager of Finance and Accounting Division of COSCO SHIPPING) and Ms. Zhang Xueyan (a non-executive Director who is also a deputy general manager of Capital Management & Operation Division of COSCO SHIPPING) have voluntarily chosen to abstain from voting in view of their concurrent positions in COSCO SHIPPING (Hong Kong) and/or COSCO SHIPPING Finance and/or COSCO SHIPPING.

INTERNAL CONTROL PROCEDURES FOR THE GROUP

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, as part of the Group's internal controls systems to ensure that the transactions between the Group and its connected persons are conducted in accordance with the pricing policy under the New Agreements, the Company will implement the following internal control arrangements:

- (a) The Company has formulated “Connected Transaction Management Method” which was incorporated into the rules and regulations of the Company. All divisions of the Company and its subsidiaries must follow the requirements under “Connected Transaction Management Method”.
- (b) The internal audit team of the Company will examine annually the pricing of transactions under the New Agreements including reviewing the transaction records of the Company for the purchase or provision of similar goods or services from or to independent third parties.
- (c) Connected transaction coordination working team (the “**Working Team**”), comprising, among others, responsible persons of various functional divisions of the Company (including Public Relations Division, Executive Division, Capital & Investment Operation Division, Operations Management Division, Finance & Accounting Division and Audit & Supervision Division), was set up. Any proposed new connected transaction would be reported to the Working Team in order to carry out all necessary compliance procedures before entering into such connected transaction(s). The main responsibilities of the Working Team are:
 - (i) to study, formulate and revise the “Connected Transaction Management Method” and put forward to the General Manager Meeting for approval;
 - (ii) to review the recommended annual caps for continuing connected transactions;
 - (iii) to submit significant issues in relation to connected transactions to the General Manager Meeting and/or the Board for approval;
 - (iv) to report the management situation of continuing connected transactions to the Managing Director and/or Deputy General Manager(s) of the Company;
 - (v) to study and recommend proposed potential solutions for the major issues of connected transactions; and

LETTER FROM THE BOARD

- (vi) to report any possible exceeding of the annual caps of continuing connected transactions and recommend follow-up proposals to the Managing Director and/or Deputy General Manager(s) of the Company before processing the relevant approval procedures.
- (d) Connected transaction amounts incurred with 2 months forecast would be updated on monthly basis by the subsidiaries of the Company and various functional divisions through an intranet system. The Audit & Supervision Division is responsible for monitoring the accumulated connected transaction amounts incurred in the relevant financial year on a monthly basis. If, based on the 2 months forecast, the annual cap in respect of the relevant financial year will be exceeded, the Audit & Supervision Division will immediately report to the Working Team so that the procedures for revising the relevant annual cap, if necessary, can be carried out in a timely manner in accordance with the Listing Rules.

The Directors are of the view that the above methods and procedures, together with the annual review conducted by independent non-executive Directors and the auditor of the Company as required under Rules 14A.55 and 14A.56 of the Listing Rules, can ensure that the pricing and other contract terms for the Group's continuing connected transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and that the continuing connected transactions are conducted as agreed in the relevant New Agreements and in compliance with Chapter 14A of the Listing Rules.

SGM

The SGM will be convened for the Independent Shareholders to approve the Continuing Connected Transactions and the Caps by poll.

In view of the interests of COSCO SHIPPING and COSCO SHIPPING (Hong Kong) in the Company, COSCO SHIPPING and COSCO SHIPPING (Hong Kong) and their respective associates will abstain from voting in relation to the resolutions to approve the Continuing Connected Transactions and the Caps.

As at the Latest Practicable Date, COSCO SHIPPING, COSCO SHIPPING (Hong Kong) and their respective associates were interested in, controlled and were entitled to exercise control over 1,051,183,486 Shares, representing approximately 71.70% of the total number of issued Shares.

There is set out on pages 53 to 54 of this circular a notice convening the SGM to be held at 47/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Tuesday, 23 December 2025 at 10:00 a.m. at which ordinary resolutions will be proposed for the approval of the Continuing Connected Transactions and the Caps by the Independent Shareholders.

Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong but in any

LETTER FROM THE BOARD

event not later than forty-eight (48) hours before the time appointed for the holding of the SGM or any adjournment thereof. The completion and return of the enclosed form of proxy will not preclude you from attending and voting at the SGM or any adjournment should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Shareholders whose names appear in the register of members of the Company as at the close of business on Wednesday, 17 December 2025 are entitled to attend and vote at the SGM. In order to be eligible to attend and vote at the meeting, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 17 December 2025.

In compliance with the Listing Rules and pursuant to the Bye-laws, the votes to be taken at the SGM in respect of the Continuing Connected Transactions and the Caps will be taken by poll, the results of which will be announced after the SGM.

Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, will serve as the scrutineer for the vote-taking.

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the Continuing Connected Transactions and the Caps are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. The Independent Board Committee therefore recommends the Independent Shareholders to vote in favour of the resolutions to be proposed in the SGM to approve the Continuing Connected Transactions and the Caps.

ADDITIONAL INFORMATION

Your attention is drawn to the letters from the Independent Board Committee and from the Independent Financial Adviser which are respectively set out on page 26 and pages 27 to 48 of this circular. Additional information is also set out in the Appendix to this circular for your information.

By Order of the Board
COSCO SHIPPING International (Hong Kong) Co., Ltd.
Zhu Changyu
Chairman and Managing Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



中遠海運國際(香港)有限公司
COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.
(Incorporated in Bermuda with limited liability)
(Stock Code: 00517)

27 November 2025

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTION

We refer to the circular dated 27 November 2025 issued by the Company (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider the Continuing Connected Transactions and the Caps and to advise the Independent Shareholders as to the fairness and reasonableness of the same. The Independent Financial Adviser, Ballas Capital Limited, has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

RECOMMENDATION

We wish to draw your attention to the letter from the Board, as set out on pages 5 to 25 of the Circular, and the letter from the Independent Financial Adviser which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions and the Caps as set out on pages 27 to 48 of the Circular.

After taking into consideration the advice from the Independent Financial Adviser, we concur with the views of the Independent Financial Adviser and consider that, as far as the Independent Shareholders are concerned, the terms of the Continuing Connected Transactions and the Caps are fair and reasonable, and the Continuing Connected Transactions and the Caps are in the interests of the Company and the Shareholders as a whole and are on normal commercial terms and in the ordinary and usual course of business of the Company. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed in the SGM to approve the Continuing Connected Transactions and the Caps.

Yours faithfully,
Tsui Yiu Wa, Alec
Jiang, Simon X.
Kwong Che Keung, Gordon
Independent Board Committee



Room 1005, Jubilee Centre
46 Gloucester Road
Wanchai, Hong Kong

27 November 2025

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement (the “**Engagement**”) as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions and the Caps, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company (the “**Circular**”) to the Shareholders dated 27 November 2025, of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

The Group has been carrying on transactions pursuant to the Existing Agreements which constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Existing Agreements will expire on 31 December 2025 and it is expected that the Group will continue to enter into transactions of nature similar to the transactions under those agreements from time to time thereafter. In view of the above, on 30 October 2025, the New Master Supply Agreement and the New Financial Services Master Agreement were entered into by the Company.

Being the ultimate holding company and immediate holding company of the Company respectively, COSCO SHIPPING and COSCO SHIPPING (Hong Kong) together with their respective associates are connected persons of the Company. Accordingly, the New Master Supply Agreement and the New Financial Services Master Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

As the applicable percentage ratios for the Caps in relation to the Non-exempt Continuing Connected Transactions are expected to be higher than 5% on an annual basis, the Non-exempt Continuing Connected Transactions and the Caps in relation thereto are subject to the reporting, announcement, shareholders’ approval and annual review requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The independent board committee comprising all independent non-executive Directors, namely Mr. Tsui Yiu Wa, Alec, Mr. Jiang, Simon X. and Mr. Kwong Che Keung, Gordon, has been appointed to advise the Independent Shareholders on, among other things, whether or not the Non-exempt Continuing Connected Transactions and the Caps are in the interest of the Company and are fair and reasonable so far as the Independent Shareholders are concerned.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company. The Directors have declared in a responsibility statement set out in the Appendix to the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained and representations made in the Circular. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the SGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We have reviewed documents including but not limited to the Company's internal procedures on continuing connected transactions, transaction documents of the Group's historical transactions with COSCO SHIPPING Group and independent third parties and underlying calculations of the Caps. We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, COSCO SHIPPING (Hong Kong) or COSCO SHIPPING or any of their respective subsidiaries or associates.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Ballas Capital Limited ("**Ballas Capital**") is to ensure that such information has been correctly extracted from the relevant sources.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

INDEPENDENCE DECLARATION

Within two years prior to the Engagement, Ballas Capital was engaged as the independent financial adviser of the Company in respect of the connected transaction as set out in the circular of the Company dated 6 December 2023 (the “**Previous Engagement**”). Other than the professional fees received under the Previous Engagement which were negotiated between the Company and Ballas Capital on an arm’s length basis, Ballas Capital has not received any other professional fees from the Company within two years prior to the Engagement.

As the Previous Engagement was for the role of an independent financial adviser to the Company, the Previous Engagement would not affect the independence of Ballas Capital for acting as the independent financial adviser to the Company in respect of the New Agreements and the Caps. As at the Latest Practicable Date, we are not aware of any relationships or interests between Ballas Capital and the Company or any other parties that could be reasonably regarded as a hindrance to Ballas Capital’s independence as defined 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 respect of the Non-exempt Continuing Connected Transactions and the Caps.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice, we have considered the following principal factors and reasons:

A. Background and reasons for entering into the New Agreements

Information on the Group and the connected persons

The Group is principally engaged in the provision of shipping services and general trading. The Company operates its business through six segments. The marine equipment and spare parts segment is mainly engaged in the trading and supply of marine equipment and spare parts. The coatings segment is mainly engaged in the production and sale of coatings. The general trading segment is mainly engaged in the trading, storage, processing and supply of asphalt and other products. The insurance brokerage segment is mainly engaged in the provision of insurance brokerage services. The ship trading agency segment is mainly engaged in the provision of agency services relating to shipbuilding, ship trading and bareboat charter business. The intelligent shipping services segment is mainly engaged in providing green, low-carbon and digital intelligent solutions for the full life cycle of the shipping industry business.

COSCO SHIPPING Group is one of the largest ship owners in the world. COSCO SHIPPING is principally engaged in shipping, terminal, logistics, shipping finance, equipment manufacturing and shipping services etc..

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

COSCO SHIPPING (Hong Kong) is principally engaged in shipping services, expressways investment, property investment and management, information technology and industrial manufacturing, etc..

COSCO SHIPPING Finance is a non-bank financial institution approved and regulated by the PBOC and the NFRA and is principally engaged in providing financial services to the COSCO SHIPPING Group.

The New Master Supply Agreement

Pursuant to the New Master Supply Agreement, the Group will supply products and provide services to COSCO SHIPPING Group as set out below from 1 January 2026 to 31 December 2028 (both dates inclusive):

1. provision of marine and general insurance brokerage services and other services by the relevant member(s) of the Group to the relevant member(s) of COSCO SHIPPING Group; and
2. provision of shipping services, sale of shipping related materials and products and sale of other materials and products by the relevant member(s) of the Group to the relevant member(s) of COSCO SHIPPING Group, including without limitation:
 - (a) the provision of ship agency services in relation to shipbuilding, ship trading, chartering businesses and the sale and purchase of marine equipment and other related services and the provision of intelligent shipping services;
 - (b) the provision of supply and installation, repair, logistics and agency services in relation to (i) ship facilities and accessories, which include equipment, materials, spare parts for vessels, oil drills, projects at sea or on land and ports, (ii) radio communication, satellite communication, navigation equipment and other materials, and (iii) construction materials and facilities, chemicals and information management systems; and
 - (c) the sale of coatings.

Given the above, in particular the nature of the transactions as contemplated under the New Master Supply Agreement, the principal business of the Group as stated above and our analysis on the major terms of the said agreement (as elaborated below), we concur with the view of the management of the Company that the entering into of the New Master Supply Agreement falls within the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

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The New Financial Services Master Agreement

Pursuant to the New Financial Services Master Agreement, COSCO SHIPPING Finance shall provide a range of financial services, including the deposits services, loan services (except for loans to be secured by the assets of relevant member(s) of the Group), clearing services, remittance services, entrusted loan services (as lending agent in entrusted loan arrangements among members of the Group), acceptance bill issuance services, foreign exchange services, and other services which may be provided by COSCO SHIPPING Finance as approved by the NFRA, by COSCO SHIPPING Finance to the Group, from 1 January 2026 to 31 December 2028 (both dates inclusive).

We noted from the articles of association of COSCO SHIPPING Finance that, COSCO SHIPPING (being the ultimate holding company of the Company) undertakes to increase the capital of COSCO SHIPPING Finance in the event that COSCO SHIPPING Finance has difficulty in fulfilling its payment obligation. In addition, we have obtained and reviewed the letter of undertaking issued by COSCO SHIPPING to the Company, pursuant to which COSCO SHIPPING has unconditionally and irrevocably undertaken that it will, among other things, (i) maintain its effective control over COSCO SHIPPING Finance and guarantee the proper and orderly operation of COSCO SHIPPING Finance; (ii) use its best endeavours and take all reasonable measures to procure COSCO SHIPPING Finance to comply with its obligations in relation to the deposit services under the New Financial Services Master Agreement; and (iii) be responsible for all losses suffered by the Group arising from any failure by COSCO SHIPPING Finance to perform its obligations under the New Financial Services Master Agreement. These provide an assurance to the Group on the safety and liquidity of the Group's deposited funds with COSCO SHIPPING Finance.

Furthermore, as disclosed in the paragraph headed "Capital Risk Control Measures under the New Financial Services Master Agreement" in the Letter from the Board, there are relevant capital risk control measures stipulated under the New Financial Services Master Agreement, which can provide safeguard to manage the potential risks of the Group associated with the placing of deposits with COSCO SHIPPING Finance, including but not limited to, (i) submit monthly financial statements by COSCO SHIPPING Finance to the Company's senior management and executive Directors for review on the fifth business day of the following month; (ii) provide the Company with sufficient information on its various financial indicators and semi-annual and annual financial statements to enable the Group to monitor and review its financial conditions; (iii) in the event of emergencies such as payment difficulties of COSCO SHIPPING Finance, pursuant to the Measures for the Administration of Finance Companies of Enterprise Groups and the articles of association of COSCO SHIPPING Finance, COSCO SHIPPING Finance shall ensure COSCO SHIPPING (as the parent company of COSCO SHIPPING Finance) will increase the capital of COSCO SHIPPING Finance in accordance with its actual needs for resolving its payment difficulties.

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We consider that the capital risk assessment and control measures would facilitate the Group's better understanding and monitoring of the risk profile of COSCO SHIPPING Finance.

Furthermore, as advised by the Company, COSCO SHIPPING Finance, as an intra-group service provider, is more familiar with the business development of the Group and COSCO SHIPPING Group, and generally has better and more efficient communication with the Group and better understanding of the Group's operations and needs for financial services as compared to independent commercial banks and financial institutions. The Group may be able to negotiate more favourable terms with COSCO SHIPPING Finance as compared with independent commercial banks and financial institutions. As such, we concur with the view of the Directors that COSCO SHIPPING Finance shall be able to provide the Group with more expedient and efficient financial services.

Given the above and our analysis on major terms of the said agreement (as elaborated below), we are of the view that the entering into of the New Financial Services Master Agreement falls within the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

B. Major terms of the New Agreements

The New Master Supply Agreement

As disclosed in the Letter from the Board, the amount of service fees payable by COSCO SHIPPING Group under the New Master Supply Agreement will be mainly determined by pre-determined formulae adopted by the Group. In particular, (i) the insurance brokerage services; (ii) the ship agency services; (iii) most of the intelligent shipping services (such as those relating to spare parts); and (iv) the supply and installation, repair, logistics and agency services will be charged at certain fixed percentages of the value of the subject matter. By way of example, (i) the insurance brokerage services will be calculated by multiplying the premium by a certain fixed percentage; and (ii) the provision of ship trading services in relation to shipbuilding will be calculated by multiplying the price of the vessel by a certain fixed percentage. For some other intelligent shipping services (such as those relating to fuel), the amount of service fees will be calculated at fixed per unit consideration of the subject matter. In each case, the fixed percentages or fixed per unit consideration (as the case may be) shall not be lower than the market rates for comparable services as determined in the manner set out below. The amount of service fees adopting other pricing policies, if any, is expected to be minimal. Taking into account the fact that the same pricing policy applicable to the COSCO SHIPPING Group and the independent third parties, and our other analysis below, we consider that the pricing policy fair and reasonable, on the normal commercial terms and in the interest of the Company and its Shareholders as a whole.

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Prices for sale of materials and products

The prices for sale of materials and products offered to the COSCO SHIPPING Group shall not be lower than the market rates for similar materials and products (based on similar amount and similar specifications) as determined in the manner set out below.

Determination of market rates

For the purpose of determining the market rates for services fees and the prices for sale of materials and products, the relevant sales department of the related companies within the Group will consider (for service fees) the certain fixed percentages of the value, or the fixed per unit consideration, of the subject matter at which the provision of comparable services to independent third party customers is charged and (for prices for sale of materials and products) the prices offered to independent third party customers in respect of similar types of materials and products (based on similar amount and similar specifications) respectively and compare to those offered to the COSCO SHIPPING Group. In particular, at least three independent third party customers will be used for comparison.

We have discussed with the Company and understood that the Group has in place internal procedures to ensure the relevant continuing connected transactions as contemplated under the New Master Supply Agreement will be (i) conducted on normal commercial terms; (ii) negotiated on an arm's length basis; and (iii) at market rates or rates no less favourable to the relevant member(s) of the Group than those available to or from (as appropriate) independent third parties. We have obtained and reviewed the written internal policies of the Company with respect to the continuing connected transactions of the Company. Based on our review of the written internal policies, we note that it is stipulated that all continuing connected transactions shall be conducted on normal commercial terms and at market rates or rates no less favourable to the relevant member(s) of the Group than those available to or from (as appropriate) independent third parties; and thus are of the view that the Group has in place appropriate procedures to ensure that the pricings are determined on normal commercial terms. In addition, we have obtained from the Company and reviewed the transaction documents of nine selected samples (being the 3 largest transactions in terms of transaction amounts for each of the year ending 31 December 2023 and 2024 and the nine months ended 30 September 2025) relating to the Group's historical transactions for each of (i) the provision of supply and installation, repair, logistics and agency services in relation to (a) ship facilities and accessories, which include equipment, materials, spare parts for vessels, oil drills, projects at sea or on land and ports, (b) radio communication, satellite communication, navigation equipment and other materials, and (c) construction materials and facilities, chemicals and information management systems; (ii) the sale of coatings; (iii) the provision of ship trading agency services; and (iv) the provision of insurance brokerage services, for the financial years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025 (the "**Review Period**") and those with independent third parties for the comparable services or products. Based on our

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review, we note that the pricing terms offered by the Group to the COSCO Shipping Group were comparable to and were no less favourable to the pricing terms offered to the independent customers and hence are satisfied that there is a market reference to determine the pricing terms offered by the Group to COSCO SHIPPING Group being fair and reasonable to the Group and on normal commercial terms. Given that (i) the selected samples covered all categories of services under the New Master Supply Agreement; and (ii) the Review Period covered the entire historical term of the Existing Master Supply Agreement, we consider that the coverage of the selected samples is sufficient for our due diligence purpose.

Given the above, we concur with the view of the Directors that the terms of the New Master Supply Agreement are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

The New Financial Services Master Agreement

The New Financial Services Master Agreement sets out the general terms and conditions governing the relevant continuing connected transactions, and at any time during the term of the New Financial Services Master Agreement, COSCO SHIPPING Finance and the relevant member(s) of the Group may from time to time enter into individual agreement(s), or invoice(s) may be issued by COSCO SHIPPING Finance to the relevant member(s) of the Group and approved by the latter (as appropriate) in relation to any of the services contemplated under the New Financial Services Master Agreement upon and subject to the terms and conditions in compliance with those of the New Financial Services Master Agreement as may be agreed between the relevant parties. The New Financial Services Master Agreement also provides that the Company has the right to, based on its business requirements, choose any financial institutions to provide the most appropriate financial services to the Group.

According to the New Financial Services Master Agreement, the transactions contemplated under the New Financial Services Master Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis and the terms of the transactions (including the interest receivable by the Group and the fees (including the service fees and handling charges) payable by the Group) shall be at market rates or rates no less favourable than those offered by COSCO SHIPPING Finance to independent third parties or those offered to the relevant member(s) of the Group by independent third parties (as appropriate).

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As disclosed in the Letter from the Board, the pricing principles for the financial services to be provided by COSCO SHIPPING Finance to the Group are as follows:

Service nature:	Pricing principle:
Deposit services	<p>Subject to compliance with the interest rate policies of the PBOC, the interest rate for such deposit services shall:</p> <ul style="list-style-type: none">(a) be no lower than, no less favourable than, and determined on an arm's length basis with reference to, the market interest rates (being the interest rates offered by at least three independent third party commercial banks and/or financial institutions providing the same type of deposit services on normal commercial terms in their ordinary course of business in the same or nearby service area); and(b) be determined also with reference to the interest rates offered by COSCO SHIPPING Finance to other COSCO SHIPPING Entities with the same qualities for the same type of deposit in the same period of time.
Clearing services	No service fee will be charged by COSCO SHIPPING Finance for the time being.
Other services	<p>Service fees for other services (including but not limited to foreign exchange services) shall be:</p> <ul style="list-style-type: none">(a) no higher than the fee standards prescribed by the PBOC or the NFRA for the same type of financial services;(b) no higher than those charged by at least three independent third party commercial banks in the PRC for services of similar nature; and(c) no higher than those charged by COSCO SHIPPING Finance to other COSCO SHIPPING Entities for similar services.

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During the term of the Existing Financial Services Master Agreement, COSCO SHIPPING Finance provided deposit services to the Group. We have obtained from the Company and reviewed the historical deposit interest rates offered by COSCO SHIPPING Finance and those offered by independent commercial banks to the Group during the Review Period. We note that the deposit interest rates offered by COSCO SHIPPING Finance were no less favourable to the Group than those offered by independent commercial banks.

The New Financial Services Master Agreement provides that in the event that any member of the Group cannot withdraw all or any of its deposits placed with COSCO SHIPPING Finance, the Group shall have the right to offset the deposit amounts due to the Group from COSCO SHIPPING Finance against the loans advanced by COSCO SHIPPING Finance to the relevant member(s) of the Group, which, to our best knowledge, is better than normal commercial term and is favourable to the Group. On the other hand, in the event that any member of the Group cannot repay all or any of the loans advanced by COSCO SHIPPING Finance to the relevant member(s) of the Group, COSCO SHIPPING Finance shall have the right to offset the outstanding loan amounts due from the relevant member(s) of the Group to COSCO SHIPPING Finance against the deposits placed by the relevant member(s) of the Group with COSCO SHIPPING Finance, which the Directors consider to be a normal commercial term and in line with market practice given that such term is commonly adopted by commercial banks in the PRC. To our best knowledge, we also consider it a normal commercial term.

We also noted that (i) the finance & accounting division of the Company will monitor the interest rates on deposits and the service fees charged for other financial services by other major commercial banks in the PRC, as published on their respective official websites from time to time; (ii) there has been no historical default in respect of the deposit services provided by COSCO SHIPPING Finance to the Group; and (iii) various credit and capital risk control measures, as disclosed under the section “Capital Risk Control Measures under the New Financial Services Master Agreement” in the Letter from the Board, have been incorporated into the New Financial Services Master Agreement to manage the related capital risks. These measures include, among others, that (a) COSCO SHIPPING Finance must ensure its funds management information systems attain security standards comparable to those of PRC commercial banks; (b) it shall maintain key regulatory ratios such as capital adequacy and liquidity ratios in accordance with the NFRA requirements; (c) monthly and regulatory financial statements shall be submitted to the Company’s senior management and executive Directors for review on the fifth business day of the following month; (d) the Company has the right to appoint independent professionals to assess and monitor the risks of funds deposited; and (e) COSCO SHIPPING Finance must promptly notify the Company upon the occurrence of any material adverse events, such as liquidity difficulties or major penalties, that could affect deposit safety. In addition, COSCO SHIPPING (the ultimate holding company of the Group) has undertaken, under both the articles of association of COSCO SHIPPING Finance and a separate letter of undertaking, to maintain effective control

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over COSCO SHIPPING Finance, ensure its orderly operation, and compensate the Group for any losses arising from COSCO SHIPPING Finance's failure to perform its obligations.

As disclosed in the Letter from the Board, to the best of the Directors' knowledge and belief having made all reasonable enquiries, COSCO SHIPPING Finance has been in compliance with all the major financial services rules and regulations and has sound internal control systems. COSCO SHIPPING Finance can provide financial services, including deposit services, based on the approval issued by the NFRA. In considering the financial position of COSCO SHIPPING Finance, the Company has reviewed the financial information of COSCO SHIPPING Finance for the year ended 31 December 2024 and the six months ended 30 June 2025 and noted that COSCO SHIPPING Finance recorded net assets of approximately RMB24.7 billion and RMB24.5 billion as at 31 December 2024 and 30 June 2025 respectively. The Company has also reviewed the annual risk management assessment report for the six months ended 30 June 2025 prepared by COSCO SHIPPING Finance summarising the current financial position of COSCO SHIPPING Finance, and noted that various financial ratios of COSCO SHIPPING Finance were in compliance with the regulations as set out in 《企業集團財務公司管理辦法》(the Measures for the Administration of Finance Companies of Enterprise Groups*) issued by the NFRA.

Taking into account the above, including (i) the satisfactory track record of no default, (ii) the regulatory oversight of COSCO SHIPPING Finance by the NFRA, (iii) the comprehensive credit and capital risk control measures incorporated in the New Financial Services Master Agreement, (iv) in the event that any member of the Group cannot withdraw all or any of its deposits placed with COSCO SHIPPING Finance, the Group shall have the right to offset the deposit amounts due to the Group from COSCO SHIPPING Finance against the loans advanced by COSCO SHIPPING Finance to the relevant member(s) of the Group, and (v) the parental undertaking from COSCO SHIPPING, we are of the view that the credit risk associated with the deposit services is appropriately managed and the relevant control measures are adequate and effective in safeguarding the Group's interests.

We have obtained and reviewed the internal procedures of the Company with respect to its continuing connected transactions. Based on our review of these internal policies, we are of the view that the Group has established appropriate procedures to ensure that the pricing of the transactions is determined on normal commercial terms.

Given the above, in particular, (i) the pricing principle as stipulated in the New Financial Services Master Agreement and the Group's internal policies are set to ensure that the terms offered by COSCO SHIPPING Finance to the Group are no less favourable than those offered by independent commercial banks; and (ii) based on our review, the historical deposit rates offered by COSCO SHIPPING Finance were no less favourable to the Group than those offered by independent commercial banks,

* for identification purposes only

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we concur with the view of the Directors that the terms of the New Financial Services Master Agreement are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

C. The Caps

The caps for the New Master Supply Agreement

Set out below are the details of (i) the historical transaction amounts of the transactions contemplated under the Existing Master Supply Agreement for the Review Period; and (ii) the proposed caps for the transactions contemplated under the New Master Supply Agreement (the “**Master Supply Caps**”) for each of the three financial years ending 31 December 2028:

(i) Historical transaction amounts

	For the financial year ended 31 December 2023 HK\$	For the financial year ended 31 December 2024 HK\$	For the nine months ended 30 September 2025 HK\$
Aggregate amount recognised by the Group for the transactions contemplated under the Existing Master Supply Agreement	<u>1,680,404,789</u>	<u>2,119,739,711</u>	<u>1,920,308,791</u>

(ii) Master Supply Caps

	For the financial year ending 31 December 2026 HK\$	2027 HK\$	2028 HK\$
Aggregate amount receivable by the Group for transactions contemplated under the New Master Supply Agreement	<u>3,112,000,000</u>	<u>3,279,000,000</u>	<u>3,467,000,000</u>

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As stated in the Letter from the Board, in determining the above Master Supply Caps, apart from considering the historical amounts, the Company has also (a) examined and compared the recent performance of the relevant member(s) of the Group for the two financial years ended 31 December 2023 and 31 December 2024 and the nine months ended 30 September 2025; (b) interviewed the management of the relevant member(s) of the Group to obtain opinion on the forecasts of the transactions contemplated under the New Master Supply Agreement for the financial years of 2026 to 2028; (c) considered the growth trend of the relevant businesses and the market conditions and in particular the following factors:

- i. the recent price movements and trend of the vessels and the trend of shipping market in the forthcoming years (including the increase in shipbuilding within the COSCO SHIPPING Group, being one of the largest shipowners in the world, and across the global shipping market). According to Clarksons Research, (i) it is expected that the COSCO SHIPPING Group will receive delivery of more than 180 vessels, representing more than 20 million deadweight tonnage (DWT) and more than 6 million compensated gross tonnage (CGT), during the period from 2026 to 2028; and (ii) the global newbuild deliveries are projected to reach 50.9 million CGT in 2026, representing a 12.5% increase from 2025, and are expected to rise further to 54.9 million CGT in 2028, with the PRC accounting for the largest share and more than half of the deliveries. The growing trend of shipbuilding activities will in turn drive a higher demand for the Group's services and hence a growth in the Group's insurance brokerage business, coatings business, and ship trading business, etc. We also note that the COSCO SHIPPING Group is rapidly expanding its shipbuilding, shipping, and integrated logistics operations in 2025. Demand for services connected to shipbuilding and fleet support is expected to grow as the COSCO SHIPPING Group accelerates both capacity and modernization initiatives. According to an article titled "2025 Sea Freight Revolution: Navigating COSCO's \$4.8bn Fleet Expansion with FreightAmigo's Digital Platform" published by FreightAmigo, a digital supply chain finance platform, COSCO SHIPPING Group invested USD4.8 billion in 32 new vessels in 2025, signalling a major capacity expansion;
- ii. the expected increase in demand for ship trading agency services, shipping related materials, communications and navigation equipment and spare parts for newbuild and existing vessels. As disclosed in the interim report of the Company for the six months ended 30 June 2025, newbuild orders during the said period rose to 58 vessels as compared to 19 vessels for the corresponding period in 2024, indicating a materially larger forward pipeline of agency opportunities that is expected to translate into higher commission income;

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- iii. the expected increase in demand for insurance brokerage services from members of the COSCO SHIPPING Group and from reinsurance business in the forthcoming years as well as the steady growth in premium in the heavy machinery and ports sector in recent year, which are expected to drive a 3% growth in premium per annum;
- iv. the premium rate movements and trend quoted by insurance underwriters. As disclosed in the interim report of the Company for the six months ended 30 June 2025, there were substantial premium rate increases in hull, protection and indemnity, and war risk insurance, which collectively boosted the Group's commission income during the period. These premium rate increases persisted after 30 June 2025. Furthermore, the anticipated upward adjustment in the premium rates of certain insurance products, coupled with the rapid surge in claims, rising medical expenses and repair costs as well as frequent extreme weather events, are expected to drive a 6% to 7% growth in premium per annum;
- v. the expected periodic fluctuations and growth in demand for coatings from container manufacturers within the COSCO SHIPPING Group, which are based on the performance of the coatings segment of the Group in recent years (which recorded a notable fluctuation in revenue, rising from HK\$1,085,028,000 in 2020 to HK\$1,685,183,000 in 2021, then declining to HK\$1,067,153,000 in 2022 and further to HK\$826,045,000 in 2023, before rebounding to HK\$1,344,147,000 in 2024, as disclosed in the annual reports of the Company for the relevant financial years) and the expected increase in new build vessels as mentioned above; and
- vi. the expected increase in demand for the intelligent shipping services provided by Green Intelligence Ship Services. While Green Intelligence Ship Services was relatively newly established, its operations are expected to mature and diversify gradually, with an expected business growth rate of around 10% per annum.

In assessing the fairness and reasonableness of the Master Supply Caps, we have discussed with the management of the Company to understand the principal basis and assumptions in the determination of the relevant caps, and reviewed the calculations of the caps provided by the Company. We understand that the Master Supply Caps are arrived at mainly based on the aggregate estimated income generated from (i) the provision of supply and installation, repair, logistics and agency services in relation to (a) ship facilities and accessories, which include equipment, materials, spare parts for vessels, oil drills, projects at sea or on land and ports, (b) radio communication, satellite communication, navigation equipment and other materials, and (c) construction materials and facilities, chemicals and information management systems; (ii) the sale of coatings (items (i) and (ii) collectively the “**Main Services**”); (iii) the provision of ship trading agency

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services; (iv) the provision of insurance brokerage services and intelligent shipping services. In addition to the aggregate estimated income from the aforesaid services, the Company also included a buffer in the Master Supply Caps for contingencies.

Based on the cap calculations provided by the Company, we note that the proposed caps for 2026, 2027 and 2028 relating to the provision of the Main Services by the Group amounted to approximately HK\$2,406.0 million, HK\$2,503.0 million and HK\$2,601.0 million and represent approximately 77.3%, 76.3% and 75.0% of the Master Supply Caps for 2026, 2027 and 2028 respectively.

We note that the cap amount in relation to the provision of the Main Services by the Group in 2026 is around the same as the annualised amount for 2025 (being the year which recorded the highest annual transaction amount during the Review Period). The cap amount for 2027 and 2028 for the provision of the Main Services is estimated to increase by approximately 4.0% and 3.9%, respectively. We have discussed with the Company and were advised that the aforesaid caps were determined after taking into account the historical transaction amount of the Main Services and organic business growth. In this respect, we note that the highest annual growth rate for the transaction amount for Main Services during the Review Period was 26.1%, which is higher than the assumed growth rate for 2026, 2027 and 2028.

Based on the above, we are satisfied that the basis and assumptions used in determining the proposed caps for the provision of the Main Services by the Group are fair and reasonable.

Approximately 6.9%, 7.8% and 9.1% of the Master Supply Caps for 2026, 2027 and 2028 are attributable to the estimated income generated from the provision of insurance brokerage services and intelligent shipping services by the Group. We note that the proposed cap for insurance brokerage and intelligent shipping services income for 2026 represents an increase of approximately 47.8% compared with the annualised amount for 2025 (being the year which recorded the highest annual transaction amount during the Review Period), and the proposed cap for insurance brokerage and intelligent shipping services income for 2027 and 2028 represents an increase of approximately 19.1% and 23.5% as compared to the cap for the preceding year. We understand from the Company that the assumed growth rate is determined by mainly taking into account the growth in premium rates, demand from new vessels and the expected increase in demand for the intelligent shipping services. As disclosed in the interim report of the Company for the six months ended 30 June 2025, there were substantial premium rate increases in hull, protection and indemnity, and war risk insurance, which collectively boosted the Group's commission income during the period. We understand from the management of the Company that these premium rate increases persisted after 30 June 2025. Furthermore, we noted that the historical transaction amount of the insurance brokerage and intelligence shipping services increased by approximately 46.6% from 2023 to 2024.

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Based on the above, we are satisfied that the basis and assumptions used in determining the proposed caps for the provision of insurance brokerage and intelligence shipping services by the Group are fair and reasonable.

Approximately 2.7%, 2.8% and 2.8% of the Master Supply Caps for 2026, 2027 and 2028 are attributable to the estimated commission income from the provision of ship trading agency services by the Group. We note that the proposed cap for 2026 represents an increase of approximately 38.8% compared with the annualised amount for 2025 (being the year which recorded the highest annual transaction amount during the Review Period), and that the proposed caps for 2027 and 2028 represent increases of approximately 8.2% and 6.5%, respectively, compared with the cap for the preceding year. We understand from the Company that in determining the relevant caps and growth rates, it has taken into consideration the expected increase in demand of trading of new vessels or transformed vessels as a result of the global trend for the green transformation of the shipping industry. In this respect, we note that the International Maritime Organization (IMO) adopted in July 2023 a revised strategy on the reduction of greenhouse gas emissions from ships, targeting net-zero emissions by or around 2050 and aiming for at least a 20% reduction by 2030 and 70% by 2040 compared with 2008 levels. Furthermore, we note that the PRC government's "2024–2030 Green Development Action Plan for the Shipbuilding Industry" promotes the green and low-carbon development of the shipping industry. These regulatory developments are expected to accelerate fleet renewal and retrofit activities across the industry, thereby driving continued demand for ship trading and newbuild agency services in the coming years. In addition, we note from the Company's interim report for the six months ended 30 June 2025 that newbuild orders rose to 58 vessels as compared to 19 vessels in 2024, indicating a materially larger forward pipeline of agency opportunities that is expected to translate into higher commission income.

Based on the above, we are satisfied that the basis and assumptions used in determining the proposed caps for the provision of ship trading agency services by the Group are fair and reasonable.

We further note that a buffer of around 13% has been provided before arriving at the Master Supply Caps in order to accommodate any market and price fluctuations and/or unexpected increase in demand from the COSCO SHIPPING for the services to be provided under the New Master Supply Agreement. We understand from the Company that the buffer of 13% was determined taking into account historical fluctuations in transaction amounts. We have conducted an independent research on the range of buffer built in the annual caps of continuing connected transactions of companies listed on main board of the Stock Exchange as extracted from their respective latest circulars published in the past three months and note that the buffer percentage ranges from nil to 30%. Given that the 13% buffer proposed by the Company falls within the range, we are of the view that the buffer adopted is reasonable.

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We note that the Master Supply Cap for 2027 represents a 5.4% increase compared with that for 2026, and the 2028 cap represents a further 5.7% increase over that for 2027. Given that the historical transaction amount increased by 26.1% in 2024 (as compared with 2023) and by 20.8% in 2025 (as compared with 2024), we consider such projected growth rates in the Master Supply Caps to be reasonable.

As disclosed in the Letter from the Board, the utilisation rate of the historical annual caps for 2023 was relatively low at 66.9%, mainly due to the decrease in the demand and sales volume of container coatings during that year (which, as disclosed in the annual report of the Company for the financial year ended 31 December 2023, recorded a 23% year-on-year decrease in revenue from the coatings segment). The utilisation rate subsequently improved to 77.8% in 2024 and further to 86.8% in 2025 on an annualised basis. Given the upward trend in utilisation and the relatively high level achieved in 2025, and based on our analysis for each of the components of Master Supply Caps as set out above, we are of the view that the basis for determining the Master Supply Caps for each of the three financial years ending 31 December 2028 is fair and reasonable.

The Caps for the New Financial Services Master Agreement

Set out below are the details of (i) the highest historical daily cash balance(s) of all cash deposits accounts of the Group maintained with COSCO SHIPPING Finance and all fees payable by the Group to COSCO SHIPPING Finance for transactions contemplated under the Existing Financial Services Master Agreement for the Review Period; and (ii) the proposed caps for the transactions contemplated under the New Financial Services Master Agreement (the “**Deposit Caps**”) for each of the three financial years ending 31 December 2028:

(i) Historical transaction amounts

	For the financial year ended 31 December 2023 RMB	For the financial year ended 31 December 2024 RMB	For the nine months ended 30 September 2025 RMB
Highest daily cash balance(s) of all cash deposits accounts of member(s) of the Group maintained with COSCO SHIPPING Finance (together with interests accrued thereon) under the Existing Financial Services Master Agreement	<u>685,323,356</u>	<u>709,677,411</u>	<u>686,181,468</u>

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(ii) Deposit Caps

	For the financial year ending 31 December		
	2026	2027	2028
	RMB	RMB	RMB
Amount of daily cash balance(s) of all cash deposits accounts of member(s) of the Group maintained with COSCO SHIPPING Finance (together with interests accrued thereon) and all fees (including service fees and handling charges for the clearing services, remittance services, entrusted loan services, acceptance bill issuance services, foreign exchange services, and other services which may be provided by COSCO SHIPPING Finance as approved by the NFRA) payable by the Group to COSCO SHIPPING Finance for transactions (except transactions in connection with the provision of loan services) contemplated under the New Financial Services Master Agreement	<u>810,000,000</u>	<u>815,000,000</u>	<u>820,000,000</u>

Note: There is no restriction on the withdrawal of the deposits placed with COSCO SHIPPING Finance.

As stated in the Letter from the Board, in determining the Deposit Caps, the Company has (a) considered the historical transaction amounts; (b) interviewed the management of the relevant member(s) of the Group to obtain opinion on the anticipated cash flow demand based on current scale and daily operation of the relevant businesses and the forecasts of the transactions contemplated under the New Financial Services Master Agreement for the financial years of 2026 to 2028; (c) considered the expected macroeconomic environment of the relevant businesses and in particular the strategies of the treasury management of the Group taking into account the business development plans, financial needs and anticipated cash flows of the Group as well as the sustainable business development of the Group (and in particular, (i) the expected increase in cash inflows arising from the expected growth of the ship trading, insurance and marine equipment supply businesses of the Group; and (ii) the expected funding requirements of Green Intelligence Ship Services' research and development projects and of the coating business of the Group (which has a credit-based sales model with bulk ordering patterns)); and (d) considered the

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expected demand of the Group for deposit services provided by COSCO SHIPPING Finance as a result of its competitive edge over other financial services providers becoming more apparent, arising from continuing improvement in its services which can better serve the development needs of the Group. Since the historical amounts of the service fees and handling charges for the financial services are immaterial and the Board currently expects that such service fees and handling charges will be immaterial during the term of the New Financial Services Master Agreement, the Company considers that there is no need to set separate caps solely for such service fees and handling charges.

As advised by the Company, the Group receives cash deposits from (i) ship buyers under the ship trading agency services business; (ii) buyers under the coating business; (iii) buyers under the trading business; and (iv) insurance policy holders under the insurance brokerage services. We have obtained the respective highest deposit amounts placed by the members of the Group with COSCO SHIPPING Finance during the Review Period and note that these deposit amounts which were placed at different time added up to RMB921.1 million.

Approximately 35.8%, or RMB290 million, of the Deposit Cap for 2026 is attributable to the deposit for the Group's ship trading agency services business. The relevant cap amount remains the same as that for 2026, 2027 and 2028. In relation to the ship trading agency services business, as advised by the Company, the Company expects that the vessel value of ships traded by the Group will be between around USD20 million to USD30 million per ship. Therefore, assuming the Company receives deposits from ship buyers for two vessels around the same period of time, it is possible for the Group to have occasional inflow of substantial amount of cash deposits. We note that the highest daily deposit balance for the ship trading agency services business of approximately RMB176.9 million during the Review Period.

Approximately 30.9%, or RMB250 million, of the Deposit Cap for 2026 is attributable to the deposit for the Group's coating business. The deposit cap for 2027 for the Group's coating business is estimated to increase by 4.0% compared with 2026, while the 2028 cap is proposed to remain the same as 2027. In determining these caps, management has taken into account the deposits placed with COSCO SHIPPING Finance during the Review Period. We note that the highest daily deposit balance from the coating business during the Review Period was approximately RMB260.2 million, which is higher than the relevant proposed cap for 2026, 2027 and 2028.

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Approximately 17.9%, or RMB145 million, of the Deposit Cap for 2026 is attributable to the deposit for the Group's insurance brokerage and intelligent shipping services. The cap amount for each of 2027 and 2028 for the deposit for the insurance brokerage and intelligent shipping services is estimated to increase by approximately 3.4% and 3.3%, respectively, as compared to the preceding year. We understand that the management of the Company has mainly taken into account (i) the deposits placed with COSCO SHIPPING Finance during the Review Period; and (ii) expected growth in the insurance brokerage business. We note that the highest daily deposit balance for the insurance brokerage and intelligence shipping services which were placed at different time added up to approximately RMB142.6 million during the Review Period.

Approximately 15.4%, or RMB125 million, of the Deposit Cap for 2026 is attributable to the deposit for the trading business by the Group. The relevant cap amount reduces to RMB115 million for 2027 and 2028. In determining the relevant cap for the deposit from trading business, the management has taken into account (i) the growth of the trading business and (ii) the possibility of temporary spikes in cash balances on days when settlements from customers are received in a concentrated manner. Furthermore, we note that highest daily deposit balance from trading business during the Review Period of approximately RMB341.5 million is higher than the relevant cap amounts for 2026, 2027 and 2028.

Furthermore, we note that the Deposit Caps for each of the three financial years ending 31 December 2028 represent only approximately 17.6%, 17.7% and 17.8% of the Group's total current deposits and cash and cash equivalents of approximately HK\$5,053.4 million as at 30 June 2025, respectively.

Given the above analysis of each of the components of the Deposit Caps, we are of the view that the basis for determining the Deposit Caps for each of the three financial years ending 31 December 2028 is fair and reasonable.

Notwithstanding the above, we would like to highlight that as the Caps relate to future events and are based upon assumptions that may or may not remain valid for the whole period up to 31 December 2028, we express no opinion as to how closely the actual transaction amounts pursuant to the New Agreements shall correspond to the Caps.

D. Requirements by the Listing Rules regarding the transactions contemplated under the New Agreements

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the transactions contemplated under the New Agreements are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the transactions contemplated under the New Agreements and confirm in the annual report that the transactions have been entered into:
 - in the ordinary and usual course of business of the Company;
 - on normal commercial terms or better; and
 - according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.
- (b) each year the auditors of the Company must provide a letter to the Board confirming that the transactions contemplated under the New Agreements:
 - have received the approval of the Board;
 - are, in all material respects, in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Company;
 - have been entered into, in all material respects, in accordance with the relevant agreement governing the continuing connected transactions; and
 - have not exceeded the Caps.
- (c) the Company must allow, and ensure that the relevant counterparty to the New Agreements allow, the Company's auditors sufficient access to their records for the purpose of reporting on the continuing connected transactions; and
- (d) the Company must promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or the auditors of the Company cannot confirm the matters set out in paragraphs (a) and/or (b) above respectively.

In light of the reporting requirements attached to the New Agreements, in particular, (i) the restriction of the value of the relevant transactions by way of the Caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company on the terms of the New Master Agreements and the Caps not being exceeded, we are of the view that appropriate measures are in place to govern the conduct of the New Agreements and safeguard the interests of the Independent Shareholders.

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RECOMMENDATION

Having considered the principal factors and reasons referred to above, we are of the opinion that the transactions contemplated under the New Agreements are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole, and the terms thereof as well as the Caps are fair and reasonable so far as the Group and the Independent Shareholders are concerned.

Accordingly, we advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favor of the resolution to be proposed at the SGM to approve the New Agreements and the Caps.

Yours faithfully,
For and on behalf of
Ballas Capital Limited
Alex Lau **Cathy Leung**
Managing Director *Director*

Note: Mr. Alex Lau of Ballas Capital Limited has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2003, and Ms. Cathy Leung of Ballas Capital Limited has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2019.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

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

Directors’ interests in the long positions in the shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Nature of interest	Number of ordinary shares of associated corporation held as at the Latest Practicable Date	Approximate percentage of the relevant class of the total issued shares of associated corporation as at the Latest Practicable Date
Mr. Kwong Che Keung, Gordon	COSCO SHIPPING Ports Limited	Beneficial owner	Personal	250,000	0.0075%

Save as disclosed herein, as at the Latest Practicable Date:

- (i) none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange;
- (ii) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole;
- (iii) none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up; and
- (iv) Mr. Zhu Changyu, being a Director, is also a director and president of COSCO SHIPPING (Hong Kong). Mr. Ma Xianghui, being a Director, is also a director of COSCO SHIPPING (Hong Kong) and the general manager of Finance and Accounting Division of COSCO SHIPPING. Ms. Zhang Xueyan, being a Director, is also a deputy general manager of Capital Management & Operation Division of COSCO SHIPPING. Mr. Wang Yong, being a Director, is also a chief accountant of COSCO SHIPPING (Hong Kong). COSCO SHIPPING (Hong Kong) has and COSCO SHIPPING is deemed to have, an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract or a proposed service contract with any member of the Group which was not expiring or determinable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, Mr. Zhu Changyu, Mr. Ma Xianghui, Ms. Zhang Xueyan and Mr. Wang Yong, being Directors, held directorships or senior management positions in COSCO SHIPPING and/or its associates which had interests in shipping services business.

The Board is of the view that the Group is capable of carrying on its businesses independently of the interests referred to in the paragraph above. When making decisions on the shipping services business of the Group, the relevant Directors, in the performance of their duties as Directors, have acted and will continue to act in the best interest of the Group.

Other than as disclosed above, none of the Directors and their respective close associates had any interests in a business which competed or was likely to compete, whether directly or indirectly, with the businesses of the Group as at the Latest Practicable Date.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. EXPERT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
Ballas Capital Limited	A licensed corporation to carry out Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities as defined under the SFO

As at the Latest Practicable Date, the Independent Financial Adviser:

- (a) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (b) did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2024, the date up to which the latest published audited consolidated financial statements of the Group were made up; and

- (c) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of and references to its name and letter in the form and context in which they respectively appear.

The letter of advice given by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders was made on 27 November 2025 for incorporation in this circular.

7. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

8. DOCUMENTS ON DISPLAY

Copy of the following documents will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at hk.coscoshipping.com from the date of this circular up to and including the date of SGM:

- (a) the New Master Supply Agreement; and
- (b) the New Financial Services Master Agreement.

NOTICE OF THE SGM



中遠海運國際(香港)有限公司

COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 00517)

NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“SGM”) of COSCO SHIPPING International (Hong Kong) Co., Ltd. (the “**Company**”) will be held on Tuesday, 23 December 2025 at 10:00 a.m. at 47/F, COSCO Tower, 183 Queen’s Road Central, Hong Kong or at any adjournment thereof for the purpose of considering and, if thought fit, to pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT** the New Master Supply Agreement and the Caps in relation thereto, each as defined and described in the circular of the Company dated 27 November 2025 (the “**Circular**”) (a copy of the Circular marked “A” together with a copy of the New Master Supply Agreement marked “B” being tabled before the meeting and initialed by the chairman of the meeting for identification purpose), and all transactions contemplated thereunder and in connection therewith and any other ancillary documents be and are hereby approved, confirmed and ratified and any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such other documents and agreements and to do all such acts or things deemed by him to be incidental to, ancillary to or in connection with the matters contemplated under the New Master Supply Agreement.”
2. **“THAT** the New Financial Services Master Agreement and the Caps in relation thereto, each as defined and described in the Circular (a copy of the New Financial Services Master Agreement marked “C” being tabled before the meeting and initialed by the chairman of the meeting for identification purpose), and all transactions contemplated thereunder (except the loan services contemplated thereunder) and in connection therewith and any other ancillary documents be and are hereby approved, confirmed and ratified and any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such other documents and agreements and to do all such acts or things deemed by him to be incidental to, ancillary to or in connection with the matters contemplated under the New Financial Services Master Agreement.”

By Order of the Board

COSCO SHIPPING International (Hong Kong) Co., Ltd.

Chiu Shui Suet

Company Secretary

27 November 2025

NOTICE OF THE SGM

Notes:

1. The ordinary resolutions to be considered at the SGM will be determined by poll. On voting by poll, each member shall have one vote for each fully paid or credited as fully paid share held in the Company.
2. A member of the Company who is entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares of the Company may appoint more than one proxy. A proxy need not be a member of the Company.
3. A form of proxy for use at the SGM is enclosed herewith. Whether or not a member of the Company intends to attend the SGM in person, he or she is urged to complete and return the form of proxy in accordance with the instruction printed thereon.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his or her attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
5. To be valid, the form of proxy in the prescribed form, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be returned to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting thereof (as the case maybe) and in default thereof the form of proxy shall not be treated as valid.
6. Shareholders whose names appear in the register of members of the Company as at the close of business on Wednesday, 17 December 2025 are entitled to attend and vote at the SGM. In order to be eligible to attend and vote at the SGM, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 17 December 2025.
7. Completion and return of form of proxy appointing a proxy shall not preclude a member of the Company from attending and voting in person at the SGM or on the poll concerned and in such event, the instrument appointing a proxy shall be deemed to be revoked.
8. Where there are joint holders of any share of the Company, any one of such joint holders may vote at the SGM, either personally or by proxy, in respect of such share as if he or she were solely entitled thereto, but if more than one of such joint holders is present at the SGM personally or by proxy, that one of the said joint holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
9. The Chinese version of the resolutions set out in this notice is for reference only. If there is any inconsistency between the English and Chinese versions, the English version shall prevail.
10. As at the date of this notice, the board of directors of the Company comprises seven directors with Mr. Zhu Changyu¹ (Chairman and Managing Director), Mr. Ma Xianghui², Ms. Zhang Xueyan², Mr. Wang Yong¹, Mr. Tsui Yiu Wa, Alec³, Mr. Jiang, Simon X.³ and Mr. Kwong Che Keung, Gordon³.

¹ *Executive Director*

² *Non-executive Director*

³ *Independent Non-executive Director*