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## **COSCO SHIPPING Ports Limited**

**中遠海運港口有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1199)**

### **ANNOUNCEMENT**

#### **CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF SHARES BY COSCO SHIPPING (HONG KONG) CO., LIMITED IN A SUBSIDIARY OF THE COMPANY**

##### **THE SUBSCRIPTION AGREEMENT**

On 26 June 2026 (after trading hours), the Company, CSHK (a wholly-owned subsidiary of COSCO SHIPPING) and the Target Company (a wholly-owned subsidiary of the Company) entered into the Subscription Agreement, pursuant to which CSHK has conditionally agreed to subscribe for the Subscription Shares (representing 40% of the issued Target Shares on a post-allotment basis) to be allotted and issued by the Target Company at the Subscription Price of US\$14,108,015.

The Target Group is principally engaged in the operation of CFS Services in Abu Dhabi. As at the date of this announcement, the Target Company is a wholly-owned subsidiary of the Company. Upon Completion of the Subscription, the Target Company will be owned as to 60% by the Company and 40% by CSHK, and the Target Company will continue to be a subsidiary of the Company. The dilution of the Group's interest in the Target Group from a holding of 100% to 60% technically constitutes a deemed disposal for the Group.

##### **THE SHAREHOLDERS' AGREEMENT AND THE SHAREHOLDERS' LOAN AGREEMENT**

Upon Completion, the Parties will enter into the Shareholders' Agreement to regulate their respective rights and obligations in respect of the ownership and management of the Target Group.

To meet the funding requirements of the Target Group, upon Completion, the Parties will also enter into the Shareholders' Loan Agreement, pursuant to which the Company and CSHK (as lenders) will advance the Shareholders' Loans in the total principal amount of US\$133,900,000 to the Target Company (as borrower). Each of the Company and CSHK will participate in the Shareholders' Loans in proportion to their respective Shareholding Ratios (i.e. CSHK's total loan contribution will be US\$53,560,000 and the Company's total loan contribution will be US\$80,340,000 (with the existing current account in the amount of US\$35,990,000 owing by the Target Company to the Company deemed to constitute part of such loan)).

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, COSCO SHIPPING is the ultimate controlling Shareholder indirectly holding 2,862,021,844 Shares (representing approximately 72.27% of the total number of the Shares in issue as at the date of this announcement) and CSHK is a wholly-owned subsidiary of COSCO SHIPPING, CSHK is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Subscription Agreement (including the Subscription, the entering into of the Shareholders' Agreement and the Shareholders' Loan Agreement and the transactions contemplated thereunder) constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Subscription Agreement (including the Subscription, the entering into of the Shareholders' Agreement and the transactions contemplated thereunder) exceeds 0.1% but is less than 5%, the entering into of the Subscription Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For the avoidance of doubt, as (1) the Company's participation in the Shareholders' Loans will be conducted on normal commercial terms and on an arm's length basis, and in proportion to its Shareholding Ratio and (2) CSHK's participation in the Shareholders' Loans will be conducted on normal commercial terms and on an arm's length basis, and will not be secured by the assets of the Group, the provision of the Shareholders' Loans by the Company and CSHK will be fully exempt from the reporting, announcement, circular, independent financial advice and independent shareholders' approval requirements pursuant to Rules 14A.89 and 14A.90 of the Listing Rules.

### **WARNING**

**Completion of the transactions contemplated under the Subscription Agreement (including the Subscription, the entering into of the Shareholders' Agreement and the Shareholders' Loan Agreement) is subject to the satisfaction and/or waiver of the conditions precedent under the Subscription Agreement as set out in the section headed "The Subscription Agreement – Conditions precedent" in this announcement. Accordingly, such transactions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and, if in any doubt, consult their professional adviser.**

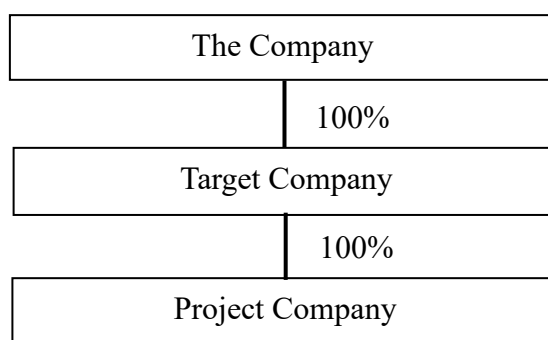
## THE SUBSCRIPTION AGREEMENT

On 26 June 2026 (after trading hours), the Company, CSHK (a wholly-owned subsidiary of COSCO SHIPPING) and the Target Company (a wholly-owned subsidiary of the Company) entered into the Subscription Agreement, pursuant to which CSHK has conditionally agreed to subscribe for the Subscription Shares (representing 40% of the issued Target Shares on a post-allotment basis) to be allotted and issued by the Target Company at the Subscription Price of US\$14,108,015.

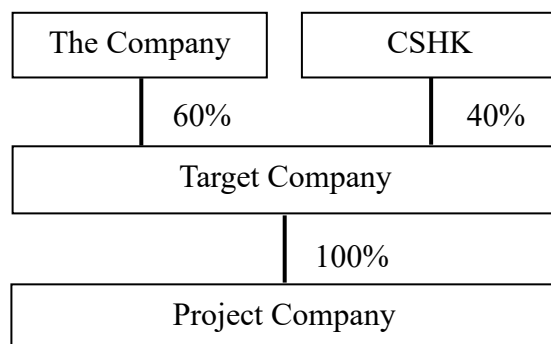
As at the date of this announcement, the Target Company is a wholly-owned subsidiary of the Company. The Target Company, through the Project Company (which is in turn a wholly-owned subsidiary of the Target Company), is principally engaged in the operation of CFS Services at the CFS Facilities in Abu Dhabi. Currently, the service capacity of the CFS Facilities is near saturated. To expand the CFS Facilities in order to increase its service capacity, CSHK has been introduced as a joint venture partner to invest in the Target Company and provide equity and loan capital for the development and construction of the second phase of the CFS Facilities.

Upon Completion of the Subscription, the Target Company will be owned as to 60% by the Company and 40% by CSHK, and the Target Company will continue to be a subsidiary of the Company with daily operations managed by the Group. The following charts illustrate the shareholding structure of the Target Group as at the date of this announcement and upon Completion:

*Shareholding structure of the Target Group as at the date of this announcement:*



*Shareholding structure of the Target Group upon Completion:*



The dilution of the Group’s interest in the Target Group from a holding of 100% to 60% technically constitutes a deemed disposal for the Group.

The principal terms of the Subscription Agreement are set out below.

**Date**

26 June 2026 (after trading hours)

**Parties**

- (1) the Company;
- (2) CSHK; and
- (3) the Target Company

**Subject matter**

CSHK has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to allot and issue, the Subscription Shares (representing 11,333,334 Target Shares and 40% of the issued Target Shares on a post-allotment basis) at the Subscription Price of US\$14,108,015 on the Completion Date.

The Subscription Price was determined after arm’s length negotiations between the Company and CSHK taking into account, among other things, the Valuation of all the existing Target Shares as at 30 June 2025 in the amount of US\$21,162,023.

## **Sharing of profits and losses**

All profits and losses of the Target Company arising during the period commenced from the Valuation Date and ending on the Completion Date shall be borne by both the Company and CSHK proportionate to their respective Shareholding Ratios.

## **Conditions precedent**

Completion is conditional upon the prior or contemporaneous satisfaction of the following conditions on or before the Long Stop Date:

- (1) each of the Target Company and CSHK having obtained all necessary approvals and consents for Completion of the Subscription and the transactions contemplated under the Subscription Agreement;
- (2) the passing of the necessary resolutions by the board of directors of the Target Company and the Company approving and authorising the Subscription and matters in connection with the transactions contemplated under the Subscription Agreement;
- (3) the passing of the necessary resolutions by any of the board of directors, the president's office meeting (總裁辦公會) and the chairman's special meeting (董事長專題會) of CSHK approving and authorising the Subscription and matters in connection with the transactions contemplated under the Subscription Agreement;
- (4) the passing of the necessary resolutions by the Company as the existing shareholder of the Target Company approving and authorising the Subscription and matters in connection with the transactions contemplated under the Subscription Agreement;
- (5) the Company having complied with its obligations under the Listing Rules in respect of the transactions contemplated under the Subscription Agreement;
- (6) the Company's inter-company balances with the Target Company having been settled;
- (7) the Company having complied with its obligations under the laws and regulations on State-owned Assets Supervision and Administration Commission of the State Council of the PRC's administration over outbound offshore investment in respect of the Subscription; and
- (8) the passing of the necessary resolution(s) of board of directors and the shareholders of COSCO SHIPPING Holdings Co., Ltd. approving and authorising the execution of the Shareholders' Loan Agreement by the Company and the Target Company and the execution of the intragroup shareholder's loan agreement by the Target Company with the Project Company in compliance with the applicable requirements under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

If any of the conditions precedents is not fulfilled in full on the Long Stop Date by any Party, the non-failing Parties may terminate the Subscription Agreement by written notice.

## **Completion**

Completion shall take place on the date falling 5 Business Days after the day on which all of the conditions precedent to Completion are satisfied (or such other date as may be agreed by and between the Parties in writing). At Completion, CSHK will pay the Subscription Price for the Subscription Shares, the Parties will enter into the Shareholders' Agreement and the Shareholders' Loan Agreement, and CSHK and the Company will advance the Shareholders' Loans (in the amount of US\$133,900,000 minus the existing current account in the amount of US\$35,990,000 owing by the Target Company to the Company which is deemed to constitute part of such loan) to the Target Company (as borrower) in proportion to their respective Shareholding Ratios.

## **Representations, warranties and indemnities**

The Subscription Agreement contains representations, warranties, undertakings and indemnities given by the Company and the Target Company which are usual and customary for a transaction of this nature.

## **Termination**

At any time prior to Completion, if there are any failure or refusal on the part of any Party to comply with the terms of the Subscription Agreement, the same may be terminated by any other Parties by way of written notice.

## **THE SHAREHOLDERS' AGREEMENT**

Upon Completion, the Parties will enter into the Shareholders' Agreement to regulate their respective rights and obligations in respect of the ownership and management of the Target Group.

The principal terms of the Shareholders' Agreement are set out below.

### **Parties**

- (1) the Company;
- (2) CSHK; and
- (3) the Target Company

### **Principal business of the Target Group**

The Target Group will be principally engaged in the operation of CFS Services in Abu Dhabi.

## **Funding**

In the event that the Target Group requires further financing, it shall first utilise its internal cashflow. To the extent such internal funding is insufficient, the Target Group may seek financing from third parties. If any guarantees, other securities or indemnities are required for any borrowings of the Target Group from third parties, they shall first be furnished by members of the Target Group without recourse to the Target Shareholders. Such guarantees, other securities or indemnities shall only be furnished by the Target Shareholders with their prior unanimous consent, and by each of them severally on equivalent terms (except that their liability in respect of the relevant borrowings shall be pro-rata to their respective equity interests in the Target Company).

Only where third-party financing is unavailable, and subject to the prior unanimous consent of all Target Shareholders, the Target Group may obtain fundings through (a) shareholders' loans from the Target Shareholders; (b) equity investment by means of subscription of new Target Shares by the Target Shareholders; and/or (c) such other agreed source of financing, in each case pro-rata to the Target Shareholders' respective equity interests in the Target Company.

## **Board of the Target Group**

The board of directors of each member of the Target Group will consist of not more than five members. The Company will be entitled to appoint three directors and CSHK will be entitled to appoint two directors to the board, with the chairman being a director nominated by the Company. The quorum for each board meeting will be 2 directors (one nominated by each of the Company and CSHK). No director will be entitled to a casting vote.

## **Decision-making**

The board of directors of each member of the Target Group and the Target Shareholders will approve any of the board reserved matters (e.g. incurring extraordinary and unusual capital expenditure, disposing of material assets, large borrowing from third parties, etc.) or shareholders reserved matters (e.g. changing the scope and nature of the principal business of the Target Group, varying dividend policy, undertaking any equity financing by any member of the Target Group or undertaking any debt financing or financial assistance by the Target Shareholders or their associates, etc.) (as the case may be) as set out in the Shareholders' Agreement by unanimity.

Except for matters expressly requiring unanimous approval of the board or reserved for approval by the Target Shareholders pursuant to the terms of the Shareholders' Agreement or as otherwise required by applicable laws or constitutional documents, all matters of each member of the Target Group will be determined by its board by simple majority decision.

## **Management of the Target Group**

The Company will have the right to nominate the general manager of the Project Company, whereas CSHK will have the right to nominate the chief financial officer of the Project Company.

## **Dividend policy**

Dividend to be declared by each member of the Target Group to its shareholder(s) for each financial year will be determined by its board of directors, having regard to factors including but not limited to the retained earnings and distributable reserves of the Target Group, its expected working capital requirement and liquidity position, the funding required for repayment of any loans or amounts or interests payable to lenders or creditors or the shareholder(s), etc. Any distribution to the Target Shareholders will be made pro rata to their respective shareholding in the Target Company.

## **Prohibition on transfer of shares**

In general, each Target Shareholder shall not dispose of any Target Shares held by it, whether directly or indirectly, unless it is disposed (a) to its affiliates or any other entity provided that the corporate ultimate beneficial owner of the Target Shareholder remains unchanged following such transfer; (b) for financing from third parties in accordance with the terms of the Shareholders' Agreement; (c) in the case of event of default in accordance with the terms of the Shareholders' Agreement; or (d) otherwise with the written consent of the other Target Shareholders.

## **Right of first refusal**

When a Target Shareholder receives an offer from a third party for its Target Shares and loans owing by the Target Company to it (if any), the selling Target Shareholder shall first offer such Target Shares and loans to the non-selling Target Shareholder by way of written notice. If the non-selling Target Shareholder chooses not to exercise its right of first refusal or if no response is received from it, the selling Target Shareholder may proceed with the transfer to the third party on terms substantially the same as those set out in the written notice.

## **Pre-emptive rights**

Any future issuance or allotment of equity securities by the Target Company (a “**Future Issuance**”) requires unanimous approval from the Target Shareholders, and the Target Shareholders or their affiliate(s) shall have the pre-emptive right to subscribe up to their pro rata portion of any Future Issuance. If any of the Target Shareholders does not so exercise its pre-emptive right, the other Target Shareholder will have the right to also subscribe for such part of the Future Issuance. The Target Company may deal with the unsubscribed new Target Shares as it deems fit if the Target Shareholders refuse to subscribe as aforesaid.

## **Events of default**

The occurrence of any of the following events will constitute an event of default by a Target Shareholder if:

- (1) it commits a material breach of the Shareholders' Agreement which is not capable of being remedied or which is not remedied within 60 days of the receipt of a notice by the non-defaulting Target Shareholder;
- (2) it fails to provide funding or guarantees, other securities or indemnities for any borrowings of the Target Group on the terms agreed in the shareholders' resolutions;
- (3) there is a change of controlling shareholder of the Target Shareholder;
- (4) it becomes insolvent; or
- (5) it fails to comply with applicable laws.

Following an event of default, the non-defaulting Target Shareholder will have the right to require the defaulting Target Shareholder to either (a) sell all of its Target Shares to the non-defaulting Target Shareholder at a fair value as to be determined by an independent professional valuer to be appointed by all the Target Shareholders on an arm's length basis, or (b) purchase all of the Target Shares held by the non-defaulting Target Shareholder at the said fair value by way of written notice.

## **Referral of business opportunities**

If the Target Shareholders or its subsidiaries identify or pursue any business opportunity in the territories that is the same as or substantially similar to the principal business of the Target Group, they will consult the other Target Shareholder and the Target Company with a view to exploring whether the potential opportunity may be pursued by or through the Target Group.

## **Termination**

The Shareholders' Agreement will be terminated (a) when all of the Target Shares are held by a sole Target Shareholder; or (b) upon the liquidation or the making of an order for the winding-up of the Target Company.

## **THE SHAREHOLDERS' LOAN AGREEMENT**

To meet the funding requirements of the Target Group, upon Completion, the Parties will also enter into the Shareholders' Loan Agreement, pursuant to which the Company and CSHK (as lenders) will advance the Shareholders' Loans in the total principal amount of US\$133,900,000 to the Target Company (as borrower).

The principal terms of the Shareholders' Loan Agreement are set out as follows.

- Lender:** (1) the Company; and  
(2) CSHK
- Borrower:** the Target Company
- Principal:** US\$133,900,000
- Each lender's participation** Each of the Company and CSHK will participate in the Shareholders' Loans in proportion to their respective Shareholding Ratios as follows:
- (1) CSHK's total loan contribution will be US\$53,560,000; and
  - (2) the Company's total loan contribution will be US\$80,340,000 (with the existing shareholder's current account in the amount of US\$35,990,000 owing by the Target Company to the Company (the "**Existing Current Account**") deemed to constitute part of such loan and be amended and restated on the terms and conditions of the Shareholders' Loan Agreement)
- The obligations of each lender under the Shareholders' Loan Agreement are several.
- The Company intends to finance its additional loan contribution from its internal resources.
- Interest:** Interest on each Shareholders' Loan for each 3-month interest period will accrue on a daily basis at a percentage rate per annum which is the aggregate of the margin of 0.2% per annum and the applicable Daily Simple SOFR for each day in that interest period. Accrued interest on a loan shall be paid on each Interest Payment Date.
- Utilisation:** CSHK's participation in the Shareholders' Loans (i.e. US\$53,560,000) and the Company's participation in the Shareholders' Loans (minus the Existing Current Account) (i.e. US\$44,350,000) to be made available in full by CSHK and the Company to the Target Company on the Completion Date
- Repayment:** in full on the date falling 60 months from the date of the Shareholders' Loan Agreement

**Pro-rata sharing:** All payments and recoveries received by the Company and CSHK under the Shareholders' Loan Agreement will be applied and shared among them pro rata in accordance with their respective participations in the Shareholders' Loans.

**Use of the Shareholders' Loans:** The Shareholders' Loans shall be applied towards:

- (1) on-lending to the Project Company for (a) the repayment of amounts owing to the Company as at the Completion Date concurrently; (b) financing its construction and development of the CFS Facilities and other expenditure and outgoings in connection thereto; and (c) general corporate and working capital purposes; and
- (2) the general corporate and working capital purposes of the Target Company.

## **INFORMATION ON THE TARGET GROUP**

The Target Company was incorporated in the British Virgin Islands in September 2017, and is an investment holding company holding 100% issued shares in the Project Company. The Project Company was incorporated in Abu Dhabi in January 2018. Its principal business is to carry on the operation of CFS Services in Abu Dhabi.

The audited consolidated net liabilities value of the Target Company as at 31 December 2025 (prepared in accordance with IFRS Accounting Standards) was approximately US\$15,943,000.

Set out below is the audited consolidated financial information of the Target Company for the two financial years ended 31 December 2024 and 31 December 2025 (prepared in accordance with IFRS Accounting Standards):–

	<b>For the year ended 31 December 2025 (audited) US\$'000</b>	<b>2024 (audited) US\$'000</b>
<b>Net loss before taxation</b>	4,269	8,212
<b>Net loss after taxation</b>	2,895	8,212

Upon Completion of the Subscription, the Target Company will be owned as to 60% by the Company and 40% by CSHK, and the Target Company will continue to be a subsidiary of the Company with daily operations managed by the Group.

## **VALUATION OF THE EXISTING TARGET SHARES**

### **Valuation**

The Independent Valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Ltd, has been engaged by the Company to assess the market value of 100% of the existing Target Shares in the Target Company as at 30 June 2025 (i.e. the Valuation Date). The Independent Valuer performed the Valuation based on International Valuation Standards issued by International Valuation Standards Council, assuming continued operation of the Target Group, and assessed that the market value of 100% of the existing Target Shares in the Target Company as at the Valuation Date is US\$21,162,023.

The Independent Valuer has issued the Valuation Report, a summary of which is set out as follows. The Valuation is valid for a term of one year from the Valuation Date to 29 June 2026.

### **The principal assumptions and qualifications**

Set out below are the principal assumptions on which the Valuation is based:

- (1) the Target Group can achieve its target operation results through the efforts of the Target Group's management;
- (2) the proposed expansion of the CFS Facilities is sufficient for the future expansion of business of the Target Group;
- (3) there will be no material change in existing political, legal, technological, fiscal or economic conditions that might adversely affect the business of the Target Group; and
- (4) the operational and contractual terms set out in the contracts and agreements of the Target Group will be fulfilled.

Set out below are the principal qualifications on which the Valuation is based:

- (1) the Independent Valuer relies on the accuracy, completeness and reasonableness of the financial information, forecasts, assumptions and other data provided to them by the Target Company and related parties;
- (2) continuity of the management policy of the Target Group is necessary at all times to maintain the nature and entirety of the assets being valued;
- (3) the Independent Valuer assumes that there are no material hidden or omitted matters regarding the condition of the assets that would adversely affect the Valuation result; and

- (4) the Valuation is based on the existence and measurability of economic, market, financial, and other conditions as of the Valuation Date.

### **Valuation methodology adopted by the Independent Valuer**

In arriving at the assessed value, the Independent Valuer has considered the three generally accepted valuation approaches: the asset-based approach, the income approach, and the market approach.

The choice of the most appropriate approach was based on the purpose of the valuation, the nature of the entities involved, the availability and reliability of relevant data, as well as the advantages and disadvantages of each valuation approach.

For the Target Company, which has no business operations other than holding 100% of the shares in the Project Company, generates no independent cash flows, and solely serves as a holding vehicle, it does not meet the criteria for applying the income approach or the market approach. Further, as the Target Company's primary asset (representing over 99% of total assets) is the Project Company, the asset-based approach was adopted. This method is appropriate for valuing investment companies for which value is primarily a factor of the values of the assets and liabilities held. The income and market approaches were not suitable as the income approach requires reliable long-term financial projections that are not available at the Target Company level with no operating business, and there is no observable market price for its shares.

For the Project Company, which is an operating entity, the income approach was applied, as it best reflects the present value of expected future economic benefits. The market approach was not adopted due to the absence of sufficiently comparable listed companies with similar geographic, operational, and financial characteristics. The asset-based approach was also deemed inappropriate, as it does not adequately capture the value derived from the ongoing operations and economic returns of the business.

In view of the above, since the Target Company has no operations of its own and only holds equity interests, the asset-based approach was used for its valuation. As the value of the Target Company primarily derived from the Project Company, which is an operating company with active business operations, the income approach was adopted as the primary valuation method of the Project Company.

### **Valuation of the Target Shares in the Target Company adopting the asset-based approach**

Under the asset-based approach, the valuation of each asset and liability of the entity being assessed is determined separately using appropriate valuation method. The Valuation of the Target Company represents the appraised value of all of its assets minus the appraised value of all liabilities as at the Valuation Date.

Each asset of the Target Company (other than its investment in the Project Company), including cash and amounts due from the Company, as well as each liability of the Target Company, including accrued expenses and amounts due to the Company, were valued based on their book values as shown on the financial statements of the Target Company (see the table below). Investment by the Target Company in the Project Company was valued using the income approach (see the section headed “Valuation of the shares in the Project Company adopting the income approach” below).

The market value of each asset and liability of the Target Company as at the Valuation Date was determined as follows using the asset-based approach:

	<b>Book Value (US\$)</b>	<b>Market Value (US\$)</b>	<b>Change in Value (US\$)</b>	<b>Percentage Change (%)</b>
<b><i>Assets</i></b>				
<b>Current assets</b>				
Cash	2,951	2,951	0	0
Amounts due from the Company	435,947	435,947	0	0
<b>Non-current assets</b>				
Investment in wholly-owned subsidiary	52,408,753	56,718,752	4,309,999	8.22
<b>Total assets</b>	<b>52,847,651</b>	<b>57,157,650</b>	<b>4,309,999</b>	<b>8.16</b>
<b><i>Liabilities</i></b>				
<b>Current liabilities</b>				
Accrued expenses	5,627	5,627	0	0
<b>Non-current liabilities</b>				
Amounts due to the Company	35,990,000	35,990,000	0	0
<b>Total Liabilities</b>	<b>35,995,627</b>	<b>35,995,627</b>	<b>0</b>	<b>0</b>
<b>Net Assets</b>	<b>16,852,024</b>	<b>21,162,023</b>	<b>4,309,999</b>	<b>25.58</b>

## **Valuation of the shares in the Project Company adopting the income approach**

Since the Project Company is in operation and generates independent cash flows, it adopted the income approach in the Valuation. The Valuation of the Project Company was conducted using the free cash flow model under the discounted cash flow method as follows:

### **(1) Determination of the forecast period and income period**

The Project Company has leased a plot of land in the Khalifa Economic Zone Abu Dhabi for 50 years until 2067, during which the Project Company may build warehouses on the land for its container freight station operations. The Valuation is conducted on the basis that the Project Company will continue its operations until 2067.

### **(2) Formula for determination of free cash flow of the Project Company**

Free cash flow per year within the forecast period = net operating profits after tax + depreciation and amortisation – capital expenditures – increase in working capital + interest expense after tax

### **(3) Determination of future earnings**

Based on the business characteristics and operating model of the Project Company, its free cash flow is ultimately determined by forecasting future annual operating revenue, costs, depreciation and amortization, income tax and other variables, as well as forecasting corresponding capital expenditures, changes in working capital, and funds which are recoverable or funds arising from asset disposal at the end of the operating period, based on the Project Company's future development, capital investment and fund management plans.

#### **(a) Operating revenue forecast**

Based on the historical throughput and planned capacity expansion, the first phase of the CFS Facilities is determined to have a base capacity of 25,000 TEU, which is expected to grow annually at a similar growth rate as the GDP (approximately 2%). Given that the CFS Facilities had an outstanding location and competitive advantages, it is expected that the growth potential will remain high over the next 15 years.

It is targeted that the second phase of the CFS Facilities will commence operations in 2027, with an initial capacity of approximately 19,000 TEU which is expected to increase at an annual growth rate of approximately 8%. As the business matures and market growth slows down, such growth rate will stabilise and align with GDP growth rate (approximately 1% to 3%).

The fees to be charged were determined based on the current fees of approximately AED1,732/TEU, which is forecast to increase by 2% (accounting for inflation) every three years.

(b) Operating expense assumptions

Fixed costs mainly comprise concession fees (i.e. warehouse rent as stipulated in the concession agreement), representing approximately 22% of the total costs. Variable costs are assumed to increase by approximately 1.5% per year, which mainly comprise transportation costs and labour costs.

(c) Tax rate forecast

Corporate income tax is at 9% on profits as per local government regulations.

(4) Discount rate

In determining an appropriate discount rate for the purpose of the valuation of the Project Company, the Independent Valuer used the weighted average cost of capital (“WACC”) to estimate the Project Company’s overall cost of capital. The WACC incorporates the different costs of capital from all sources such as equity and debt. The specific formula is expressed as follows:

$$WACC = \frac{E}{V} * R_e + \frac{D}{V} * R_d * (1 - T_c)$$

Where:

$R_e$  = cost of equity

$R_d$  = cost of debt

E = market value of the company’s equity

D = market value of the company’s debt

V = E + D

$T_c$  = tax rate

The Independent Valuer used the capital asset pricing model (“CAPM”) to estimate the cost of equity for the Project Company. The cost of equity takes into account factors including (a) interest rate risks, (b) liquidity risks, (c) market risks, and (d) company specific risks.

Key inputs and parameters in determining the WACC are set out below:

<b>Parameters</b>	<b>Value</b>	<b>Notes</b>
Risk-free rate	4.64%	Based on 10-year United States treasury yield sourced from Bloomberg L.P.
Relevered beta	0.883	Based on re-levered 5-year beta of comparable companies (see note 1 below)
Market risk premium	4.94%	Based on market risk premium of UAE sourced from Damodaran
Country risk premium	0.32%	Based on differential in country risk premium of United States and UAE sourced from Damodaran
Size risk premium	2.66%	Based on size of the Project Company sourced from Kroll Cost of Capital Navigator
Other specific risk premium	1.92%	Based on the Independent Valuer's analysis, being the liquidity risk premium and risk concerning the uncertainty of the forecast
Cost of equity ( $R_e$ )	13.91%	Cost of equity = risk-free rate + re-levered beta × market risk premium + country risk premium + size risk premium + other specific risk premium
Debt-to-equity ratio	78.10%	Based on debt-to-equity ratio of the comparable companies sourced from Bloomberg L.P.
Cost of debt ( $R_d$ )	5.08%	Based on general corporate borrowing cost in the UAE sourced from Bloomberg L.P.
Tax rate ( $T_c$ )	9.00%	Reference to UAE tax rate
<b>WACC</b>	<b>10.04%</b>	Calculated according to the equation of WACC as stated above

*Note 1: Comparable companies for the purpose of determining the re-levered beta include (a) Ad-Dulayl Industrial Park & Real Estate Company P.L.C, (b) Azrieli Group Ltd., (c) Dorsel Holdings Ltd., (d) Gav-Yam Lands Corp. Ltd., (e) Hiron-Trade Investments & Industrial Buildings Ltd., (f) Mega Or Holdings Ltd., (g) Mivne Real Estate (K.D) Ltd., and (h) Sonol Real Estate And Investments Ltd. The aforementioned comparable companies were identified based on the following criteria: (a) the comparable listed companies primarily operate container freight station / logistics warehouse businesses in regions near the Project Company's operations (i.e. Middle East) and are listed in that region; and (b) the financial and operational data of the comparable companies are available from S&P Capital IQ and other public sources.*

(5) Exchange rate

The exchange rate adopted for the Valuation is US\$1 to 3.6726 UAE dirhams.

(6) Other adjustments

The enterprise value is obtained by calculating the annual free cash flows using the free cash flow formula described above and discounting them at the appropriate discount rate. The relationship between enterprise value and equity value is as follows:

Enterprise value = market capitalisation + short-term debt + long-term debt – cash and cash equivalents + other non-operating assets – other non-operating liabilities

In the above formula, market capitalisation represents the shareholders' equity, and the remainder represents the balance sheet items referenced from the Project Company's balance sheet. After calculating the enterprise value using the income approach described above, it is adjusted to the shareholders' equity value according to the above formula.

(7) Valuation of the shares in the Project Company

Based on the above calculation process, the 100% shares in the Project Company as at the Valuation Date is valued at AED208,305,289 (or US\$56,718,752).

### **Work done by the Independent Valuer**

The Independent Valuer has considered factors influencing the Target Group's operations and conducted interviews with the Target Company's management to fully communicate the specifics of the Valuation. Industry information was also collected for reference. Specific steps implemented in the valuation process include understanding factors affecting the Target Group's operations through interviews with the Target Group and reviewing the financial information of the Target Group, thorough communication of valuation details with relevant personnel at the Target Company regarding specific issues such as the selection of the valuation model and the determination of key parameters, collection and analysis of industry information, as well as construction of detailed financial model to predict the Target Group's future cash flows and multi-method valuation.

### **The nature and source of information relied upon**

The Independent Valuer made reference to the following information obtained during the valuation process in arriving at the Valuation:

- (1) background information on the Target Group and its future business plans;
- (2) financial statements of the Target Group;
- (3) projected future cash flows of the Project Company;
- (4) business licenses and legal documents of the Target Group; and
- (5) other operational and market information relevant to the Target Group's operations.

### **Qualifications of experts**

As the appraised value of 100% of the existing Target Shares in the Target Company as at the Valuation Date was determined by the Independent Valuer based on the discounted cash flow method under the income approach, such Valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules.

The Board has reviewed the Valuation Report and confirms that it is satisfied that the profit forecast upon which the Valuation was based was made after due and careful enquiry.

BDO Limited, the reporting accountants of the Company, has been engaged to report on the calculations of the discounted future cash flows on which the Valuation Report is based.

A report from BDO Limited and a letter from the Board are set out in Appendix I and Appendix II to this announcement respectively.

The qualifications of the Independent Valuer and BDO Limited are as follows:

<b>Name of expert</b>	<b>Qualification</b>
Jones Lang LaSalle Corporate Appraisal and Advisory Ltd	Professional valuer, a registered firm regulated by the Royal Institution of Chartered Surveyors
BDO Limited	Certified Public Accountants

As at the date of this announcement, none of the Independent Valuer and BDO Limited has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Independent Valuer and BDO Limited has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its respective opinions, letters or reports and the references to its name, in the form and context in which they are included.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SUBSCRIPTION AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER**

The Project Company operates the only terminal in the core area of the Khalifa Port of Abu Dhabi, giving it significant strategic value. Currently, the service capacity of the CFS Facilities of the Project Company is near saturated. By introducing CSHK as a joint venture partner to provide equity and loan capital to the Target Group for the development and construction of the second phase of the CFS Facilities, funding security and project management capabilities will be enhanced, and the Parties will be able to leverage their combined resources and expertise to achieve long-term sustainable development. It is believed that CSHK's participation will assist the Group in further strengthening its presence in major hubs along the Belt and Road, deepen economic and trade cooperation with the Middle East, and improve the synergy and operational efficiency of the Group's global port and logistics network.

Following Completion, the Company will continue to maintain a controlling stake in the Target Group and remain responsible for its terminal's daily operations and management, ensuring business continuity and management stability. CSHK's funding to the Target Group will allow the Company to allocate corresponding funds to other key projects, thereby further improving capital utilisation efficiency, fostering mutually beneficial cooperation and value creation among the Group's platforms, and providing strong support for the Group's overall overseas strategic layout.

## **FINANCIAL EFFECTS OF THE DEEMED DISPOSAL**

Upon completion of the Subscription, the Target Company will continue to be a subsidiary of the Company and the financial results of the Target Company will continue to be consolidated into the Group's financial statements. Accordingly, under the HKFRS Accounting Standards, the deemed disposal will be accounted for as an equity transaction and no gain or loss is expected to be recognised in the consolidated income statement of the Group as the Group will continue to retain control over the Target Company. As a result of the transactions contemplated under the Subscription Agreement, the aggregate amount of approximately US\$112,018,000 including the Subscription Price and Shareholders' Loans will be received in cash by the Target Company. The loan from Target Shareholders will be increased by US\$97,910,000 (being the amount of the Shareholders' Loans to be made available by CSHK and the Company to the Target Company on the Completion Date). A corresponding change of approximately US\$14,108,000 (calculated based on the total equity of the Target Company before and after the Subscription) will be recognised in the total equity.

The above is a preliminary assessment based on the latest financial statements of the Target Company. The actual amount of change in equity (which shall be affected by the Subscription Price as at the Completion Date and the amount of expenses incidental to the deemed disposal) arising from the transactions contemplated under the Subscription Agreement may be different from the above.

The aggregate amount of the Subscription Price and the Shareholders' Loans were determined with reference to, and are intended to be used to, fulfill the capital and funding needs of the Target Group for the construction and development of the second phase of the CFS Facilities and the working capital requirements of the Target Group during the construction period of the second phase of the CFS Facilities which are estimated to be in the amount of approximately US\$75,000,000, as well as to make repayment of existing loan and accrued interests owing by the Project Company to the Company in the amount of approximately US\$37,000,000.

## **INFORMATION ON THE PARTIES**

### **The Company and the Group**

The principal business of the Company is investment holding. The Group is principally engaged in the businesses of managing and operating terminals, and related businesses.

### **CSHK**

CSHK is a company incorporated in Hong Kong with limited liability, and is principally engaged in shipping services, highways, information technology, industrial manufacturing, freight services, property investment management, etc. It is a wholly-owned subsidiary of COSCO SHIPPING. COSCO SHIPPING is a company incorporated under the laws of the PRC, and is a state-owned enterprise wholly-owned and controlled by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. The scope of business of COSCO SHIPPING and its subsidiaries includes international shipping, ancillary business in international maritime transportation, import and export of goods and technologies, international freight agency business, leasing of self-owned vessels, sales of vessels, containers and steel and maritime engineering.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, COSCO SHIPPING is the ultimate controlling Shareholder indirectly holding 2,862,021,844 Shares (representing approximately 72.27% of the total number of the Shares in issue as at the date of this announcement) and CSHK is a wholly-owned subsidiary of COSCO SHIPPING, CSHK is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Subscription Agreement (including the Subscription, the entering into of the Shareholders' Agreement and the Shareholders' Loan Agreement and the transactions contemplated thereunder) constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Subscription Agreement (including the Subscription, the entering into of the Shareholders' Agreement and the transactions contemplated thereunder) exceeds 0.1% but is less than 5%, the entering into of the Subscription Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For the avoidance of doubt, as (1) the Company's participation in the Shareholders' Loans will be conducted on normal commercial terms and on an arm's length basis, and in proportion to its Shareholding Ratio, and (2) CSHK's participation in the Shareholders' Loans will be conducted on normal commercial terms and on an arm's length basis, and will not be secured by the assets of the Group, the provision of the Shareholders' Loans by the Company and CSHK will be fully exempt from the reporting, announcement, circular, independent financial advice and independent shareholders' approval requirements pursuant to Rules 14A.89 and 14A.90 of the Listing Rules.

## **GENERAL**

None of the Directors has a material interest in the Subscription Agreement and the transactions contemplated thereunder (including the Subscription, the entering into of the Shareholders' Agreement and the Shareholders' Loan Agreement and the transactions contemplated thereunder) and none of them was required to abstain from voting on the relevant Board resolutions of the Company.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Subscription Agreement and the transactions contemplated thereunder (including the Subscription, the entering into of the Shareholders' Agreement and the Shareholders' Loan Agreement and the transactions contemplated thereunder) are in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **WARNING**

**Completion of the transactions contemplated under the Subscription Agreement (including the Subscription, the entering into of the Shareholders' Agreement and the Shareholders' Loan Agreement) is subject to the satisfaction and/or waiver of the conditions precedent under the Subscription Agreement as set out in the section headed "The Subscription Agreement – Conditions precedent" in this announcement. Accordingly, such transactions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and, if in any doubt, consult their professional adviser.**

## DEFINITIONS

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

<b>“AED”</b>	United Arab Emirates dirham, the official currency of the UAE
<b>“Board”</b>	the board of Directors
<b>“Business Day”</b>	a day (excluding Saturday and Sunday) on which licensed banks in Hong Kong, the PRC and Abu Dhabi are generally open for business
<b>“CFS Facilities”</b>	the CFS facilities of the Project Company at Plot No. KHIA2-03, Taweelah, Abu Dhabi, UAE
<b>“CFS Services”</b>	container freight station services including but not limited to container freight station operations, cargo consolidation and deconsolidation, warehousing, customs clearance facilitation, and related logistics services at the CFS Facilities, as well as all other licensed activities authorised under the Project Company’s Abu Dhabi port operations licence
<b>“Company”</b>	COSCO SHIPPING Ports Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1199)
<b>“Completion”</b>	completion of the Subscription in accordance with the terms of the Subscription Agreement
<b>“Completion Date”</b>	the date falling 5 Business Days after the day on which all of the conditions precedent to Completion set out in the Subscription Agreement are satisfied (or such other date as may be agreed by and between the Parties in writing)
<b>“connected person”</b>	has the meaning ascribed to it under Chapter 14A of the Listing Rules
<b>“controlling shareholder(s)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“COSCO SHIPPING”</b>	China COSCO SHIPPING Corporation Limited* (中國遠洋海運集團有限公司), the ultimate controlling Shareholder and a state-owned enterprise in the PRC

<b>“CSHK”</b>	COSCO SHIPPING (Hong Kong) Co., Limited (中遠海運(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
<b>“Daily Simple SOFR”</b>	<p>in relation to any day during the interest period of a Shareholders’ Loan:-</p> <p>(a) if that day is a RFR Banking Day, SOFR for the RFR Banking Day which is the applicable lookback period (i.e. five RFR Banking Days) prior to that day; and</p> <p>(b) if that day is not a RFR Banking Day, SOFR for the RFR Banking Day which is the applicable lookback period (i.e. five RFR Banking Days) prior to the RFR Banking Day that falls immediately before that day</p>
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Independent Valuer”</b>	Jones Lang LaSalle Corporate Appraisal and Advisory Ltd., an independent valuer agreed upon by the Company and CSHK which is a registered firm regulated by the Royal Institution of Chartered Surveyors
<b>“Interest Payment Date”</b>	<p>(a) the last day of each interest period of 3 months;</p> <p>(b) the repayment date of the Shareholders’ Loans under the Shareholders’ Loan Agreement, or any date on which a Shareholders’ Loan is repaid in full (whether voluntarily or following an event of default under the Shareholders’ Loan Agreement); and</p> <p>(c) any date on which a prepayment is made pursuant to the Shareholders’ Loan Agreement</p>
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Long Stop Date”</b>	30 June 2027 (or such other date as the Parties may agree in writing)
<b>“Parties”</b>	the Company, CSHK and the Target Company, and each of them a <b>“Party”</b>

<b>“percentage ratios”</b>	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
<b>“PRC”</b>	the People’s Republic of China, which for the purpose of this announcement and unless the context suggests otherwise, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
<b>“Project Company”</b>	CSP Abu Dhabi CFS Ltd, a wholly-owned subsidiary of the Target Company incorporated in Abu Dhabi
<b>“RFR Banking Day”</b>	any day other than:-  (a) a Saturday or Sunday; and  (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US government securities
<b>“Share(s)”</b>	share(s) in the share capital of the Company
<b>“Shareholder(s)”</b>	the shareholder(s) of the Company
<b>“Shareholders’ Agreement”</b>	the shareholders’ agreement (in the agreed form) to be entered into amongst the Company, CSHK and the Target Company to regulate their respective rights and obligations in respect of the ownership and management of the Target Group
<b>“Shareholders’ Loan(s)”</b>	the shareholders’ loan(s) in the total principal amount of US\$133,900,000 to be advanced by the Company and CSHK to the Target Company in proportion to their respective Shareholding Ratios in accordance with the terms of the Shareholders’ Loan Agreement
<b>“Shareholders’ Loan Agreement”</b>	the shareholders’ loan agreement (in the agreed form) to be entered into amongst the Company, CSHK and the Target Company in respect of the provision of the Shareholders’ Loans by the Company and CSHK to the Target Company
<b>“Shareholding Ratio”</b>	the ratio representing the proportion of Target Shares respectively owned by the Company and CSHK relative to the total issued Target Shares upon Completion, which will be, with respect to the Company, 60% and with respect to CSHK, 40%

<b>“SOFR”</b>	with respect to any RFR Banking Day, a rate per annum equal to the secured overnight financing rate for such RFR Banking Day published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York or any successor source for the secured overnight financing rate on the immediately succeeding RFR Banking Day
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Subscription”</b>	the subscription by CSHK for the Subscription Shares to be allotted and issued by the Target Company on the terms and conditions of the Subscription Agreement
<b>“Subscription Agreement”</b>	the subscription agreement dated 26 June 2026 entered into amongst the Company, CSHK and the Target Company in respect of the Subscription
<b>“Subscription Price”</b>	US\$14,108,015 for the Subscription Shares
<b>“Subscription Shares”</b>	11,333,334 Target Shares to be subscribed by CSHK pursuant to the Subscription
<b>“Target Company”</b>	COSCO SHIPPING Ports (Abu Dhabi CFS) Limited (中遠海運港口(阿布扎比集裝箱場站)有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
<b>“Target Group”</b>	the Target Company, the Project Company and (in the case of the Shareholders’ Agreement) any subsidiaries of the Target Company from time to time (as the case may be)
<b>“Target Shareholder(s)”</b>	the shareholder(s) of the Target Company at any relevant time
<b>“Target Shares”</b>	the ordinary shares in the Target Company
<b>“UAE”</b>	the United Arab Emirates
<b>“US\$”</b>	United States Dollars, the lawful currency of the United States of America
<b>“Valuation”</b>	valuation of all the existing Target Shares as at the Valuation Date carried out by the Independent Valuer

<b>“Valuation Date”</b>	30 June 2025, the date based upon which appraisal was carried out under the Valuation
<b>“Valuation Report”</b>	the valuation report dated 15 June 2026 issued by the Independent Valuer in respect of the Valuation
<b>“%”</b>	per cent

*For the purposes of this announcement, the English name with an asterisk (\*) is an unofficial English transliteration or translation and is for identification purposes only.*

By Order of the Board  
**COSCO SHIPPING Ports Limited**  
**ZHU Tao**  
*Chairman*

Hong Kong, 26 June 2026

As at the date of this announcement, the Board comprises Mr. ZHU Tao<sup>1</sup> (Chairman), Ms. WU Yu<sup>1</sup> (Managing Director), Mr. MA Xianghui<sup>2</sup>, Mr. CHEN Shuai<sup>2</sup>, Mr. GU Jinshan<sup>2</sup>, Mr. LAM Yiu Kin<sup>3</sup>, Prof. CHAN Ka Lok<sup>3</sup>, Mr. YANG Liang Yee Philip<sup>3</sup> and Prof. TAM Kam Lan, Annie<sup>3</sup>.

<sup>1</sup> Executive Director

<sup>2</sup> Non-executive Director

<sup>3</sup> Independent Non-executive Director

**APPENDIX I**  
**Report from the reporting accountants**

*The following is the text of a report received from the Company's reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, for inclusion in this announcement.*

**INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF THE DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE ENTIRE EQUITY INTEREST IN COSCO SHIPPING Ports (Abu Dhabi CFS) Limited**

To the Board of Directors of COSCO SHIPPING Ports Limited

We have completed our assurance engagement to report on the calculations of the discounted future cash flows on which the valuation (the "Valuation") dated 15 June 2026 prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Ltd in respect of the valuation of the fair value of the entire equity interest in COSCO SHIPPING Ports (Abu Dhabi CFS) Limited (the "Target Company") as at 30 June 2025 is based. The summary of the Valuation is set out in the announcement of COSCO SHIPPING Ports Limited (the "Company") dated 26 June 2026 (the "Announcement") in connection with the subscription of shares by COSCO Shipping (Hong Kong) Co., Limited in a subsidiary of the Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

**Directors' Responsibility for the Discounted Future Estimated Cash Flows**

The directors of the Company (the "Directors") are solely responsible for the preparation of the discounted future cash flows, including the bases and assumptions adopted by the Directors as set out in the Announcement. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Reporting Accountants' Responsibility**

Our responsibility is to report, as required by paragraph 14.60A(2) of the Listing Rules, on the calculations of the discounted future estimated cash flows used in the Valuation, and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person in respect of, arising out of or in connection with our work.

We conducted our work in accordance with the terms of our engagement and Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA.

This reasonable assurance engagement involved performing procedures to obtain sufficient appropriate evidence as to whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the bases and assumptions adopted by the Directors as set out in the Announcement. The extent of procedures selected depends on the reporting accountant's judgement and our assessment of the engagement risk. Within the scope of our work, we performed procedures on, amongst others, the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions adopted by the Directors as set out in the Announcement. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

The discounted future estimated cash flows on which the Valuation is based do not involve the adoption of accounting policies. The discounted future estimated cash flows have been prepared using a set of bases and assumptions that include hypothetical assumptions about future events and management's actions which cannot be confirmed and verified in the same way as past results and which are not necessarily expected to occur. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the discounted future estimated cash flows since other anticipated events frequently do not occur as expected and the variation may be material. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Target Company or an expression of an audit or review opinion on the Valuation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Opinion**

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the bases and assumptions adopted by the Directors as set out in the Announcement.

BDO Limited  
Certified Public Accountants  
Hong Kong, 26 June 2026

**APPENDIX II**  
**Letter from the Board on the profit forecast**

*The following is the text of the letter dated 26 June 2026 prepared for the purpose of incorporation in this announcement received from the Board.*

26 June 2026

To: The Listing Division  
Hong Kong Exchanges and Clearing Limited  
12/F, Two Exchange Square,  
8 Connaught Place, Central,  
Hong Kong

Dear Sirs,

**CONNECTED TRANSACTION**  
**IN RELATION TO SUBSCRIPTION OF SHARES BY**  
**COSCO SHIPPING (HONG KONG) CO., LIMITED**  
**IN A SUBSIDIARY OF THE COMPANY**

Reference is made to the announcement dated 26 June 2026 of COSCO SHIPPING Ports Limited (the “**Company**”) (the “**Announcement**”) in relation to the proposed subscription for shares in COSCO SHIPPING Ports (Abu Dhabi CFS) Limited (中遠海運港口(阿布扎比集裝箱場站)有限公司) (the “**Target Company**”) (a wholly-owned subsidiary of the Company), representing 40% of the issued shares in the Target Company on a post-allotment basis, by COSCO SHIPPING (Hong Kong) Co., Limited (中遠海運(香港)有限公司). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, in determining the Subscription Price, the Company made reference to, among other things, the Valuation of all the existing Target Shares in the Target Company as at the Valuation Date of 30 June 2025 as set out under the Valuation Report dated 15 June 2026 issued by Jones Lang LaSalle Corporate Appraisal and Advisory Ltd., the Independent Valuer, which was conducted using the free cash flow model under the discounted cash flow (“**DCF**”) method. The DCF valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules.

The Board has (1) reviewed the basis and the assumptions of the Valuation; (2) reviewed the reports to the Board from the Independent Valuer regarding the calculations of the DCF valuation; (3) reviewed the relevant work conducted by Independent Valuer in relation to the DCF valuation and the historical performance of the Target Group; (4) discussed with the Independent Valuer about the aforementioned aspects; and (5) considered the report from the Company’s reporting accountants, BDO Limited, regarding the calculations of the DCF valuation.

Based on the above, in accordance with Rule 14.60A(3) of the Listing Rules, the Board confirms that the profit forecast in the aforesaid DCF valuation has been made after due and careful enquiry.

Yours faithfully,

For and on behalf of the Board  
**COSCO SHIPPING Ports Limited**  
**ZHU Tao**  
Chairman