
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **COSCO SHIPPING Ports Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)

DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS – NEW FINANCIAL SERVICES MASTER AGREEMENT

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



SOMERLEY CAPITAL LIMITED

Unless the context requires otherwise, capitalized terms used in this circular (including this cover page) shall have the same meanings as those defined in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 5 to 19 of this circular and a letter from the Independent Board Committee is set out on page 20 of this circular. A letter from Somerley Capital Limited, being the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, is set out on pages 21 to 35 of this circular.

A notice convening the SGM to be held at 47th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong at 2:30 p.m. on Thursday, 20 November 2025 is set out on pages 41 to 42 of this circular. Whether or not you are able to attend the SGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event, not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

Shareholders who are entitled to vote at the SGM are those whose names appear as Shareholders on the register of members of the Company as at the close of business on Friday, 14 November 2025. In order to be entitled to attend and vote at the SGM, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, for registration no later than 4:30 p.m. on Friday, 14 November 2025.

18 September 2025

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This circular and the accompanying form of proxy, in both English and Chinese versions, are available on the Company's website at <https://ports.coscoshipping.com> (the "**Company Website**") and on the website of the Hong Kong Exchanges and Clearing Limited at <https://www.hkexnews.hk>. To the extent that there are any inconsistencies between the English version and the Chinese version of this circular, the English version shall prevail.

Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the "**Corporate Communications**") via the Company Website and who for any reason have difficulty in receiving or gaining access to the circular and the form of proxy posted on the Company Website will promptly upon request be sent the circular and the form of proxy in printed form free of charge. Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) and/or language(s) (either English only or Chinese only or both languages) of Corporate Communications.

Shareholders may send their request to receive the circular and the form of proxy in printed form, and/or to change their choice of the means of receipt and/or language(s) of Corporate Communications by notice in writing 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 or by sending an email to the share registrar of the Company in Hong Kong at coscoshipport-ecom@vistra.com.

Shareholders who have chosen to receive printed copy of the Corporate Communications in either English or Chinese version will receive both English and Chinese versions of this circular and the accompanying form of proxy since both languages are bound together into one booklet and sheet respectively.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the amended and restated Bye-laws of the Company (as may be amended from time to time)
“Clearing Transactions”	the transactions to be conducted pursuant to the New Financial Services Master Agreement as disclosed under the section headed “ <i>Letter from the Board — 2. New Financial Services Master Agreement — (C) Clearing Transactions</i> ” of this circular
“Company”	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)
“connected person”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“COSCO SHIPPING”	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
“COSCO SHIPPING Finance”	COSCO SHIPPING Finance Co., Ltd.* (中遠海運集團財務有限責任公司), a limited liability company established in the PRC and a non-wholly owned subsidiary of COSCO SHIPPING
“COSCO SHIPPING Group”	COSCO SHIPPING and subsidiaries of which COSCO SHIPPING is the controlling shareholder (in the context of the PRC Company Law) (hereinafter referred to as the holding subsidiaries), companies held directly or indirectly by COSCO SHIPPING and such holding subsidiaries (individually or jointly) as to more than 20% of the shares (or directly held as to less than 20% of the shares but with COSCO SHIPPING and such holding subsidiaries (individually or jointly) being the largest shareholder), 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 such subsidiaries

DEFINITIONS

“COSCO SHIPPING Holdings”	COSCO SHIPPING Holdings Co., Ltd.* (中遠海運控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1919) and the A shares of which are listed on the Shanghai Stock Exchange in the PRC (Stock Code: 601919), and an intermediate controlling Shareholder and holding company of the Company
“COSCO SHIPPING Holdings Group”	COSCO SHIPPING Holdings, its subsidiaries and associates (both having the meaning ascribed to it under the Listing Rules)
“Deposit Transactions”	the transactions to be conducted pursuant to the New Financial Services Master Agreement as disclosed under the section headed “ <i>Letter from the Board — 2. New Financial Services Master Agreement — (A) Deposit Transactions</i> ” of this circular
“Director(s)”	the director(s) of the Company
“discloseable transaction”	has the meaning ascribed to it under Chapter 14 of the Listing Rules
“Existing Financial Services Master Agreement”	the financial services master agreement dated 30 August 2022 entered into between the Company and COSCO SHIPPING Finance for the provision of certain financial services by COSCO SHIPPING Finance to the Group for the period from 1 January 2023 to 31 December 2025
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board appointed to advise the Independent Shareholders in respect of the Deposit Transactions and the Proposed Deposit Transactions Caps, comprising Mr. Adrian David LI Man Kiu, Mr. LAM Yiu Kin, Prof. CHAN Ka Lok, Mr. YANG Liang Yee Philip and Prof. TAM Kam Lan, Annie
“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Deposit Transactions and the Proposed Deposit Transactions Caps

DEFINITIONS

“Independent Shareholders”	the Shareholders who are not prohibited from voting under the Listing Rules to approve the Deposit Transactions contemplated under the New Financial Services Master Agreement and the Proposed Deposit Transactions Caps at the SGM
“Latest Practicable Date”	15 September 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Transactions”	the transactions to be conducted pursuant to the New Financial Services Master Agreement as disclosed under the section headed “ <i>Letter from the Board — 2. New Financial Services Master Agreement — (B) Loan Transactions</i> ” of this circular
“New Financial Services Master Agreement”	the financial services master agreement dated 28 August 2025 entered into between the Company and COSCO SHIPPING Finance for the provision of certain financial services (including the Deposit Transactions, the Loan Transactions, the Clearing Transactions and the Other Financial Transactions) by COSCO SHIPPING Finance to the Group for the period from 1 January 2026 to 31 December 2028
“NFRA”	National Financial Regulatory Administration (國家金融監督管理總局)
“Other Financial Transactions”	the transactions to be conducted pursuant to the New Financial Services Master Agreement (other than the Deposit Transactions, the Loan Transactions and the Clearing Transactions) as disclosed under the section headed “ <i>Letter from the Board — 2. New Financial Services Master Agreement — (D) Other Financial Transactions</i> ” of this circular
“PBOC”	The People’s Bank of China (中國人民銀行), the central bank of the PRC
“percentage ratios”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this circular and unless the context suggests otherwise, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan

DEFINITIONS

“PRC Company Law”	the Company Law of the PRC, as amended, modified and/or otherwise supplemented from time to time
“Proposed Deposit Transactions Caps”	the proposed daily maximum aggregate amount of deposits to be placed by the Group with COSCO SHIPPING Finance (including the amount of any interest accrued thereon) for each of the three years ending 31 December 2028
“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 for considering and, if thought fit, approving the Deposit Transactions contemplated under the New Financial Services Master Agreement and the Proposed Deposit Transactions Caps
“Share(s)”	share(s) in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

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

LETTER FROM THE BOARD



COSCO SHIPPING Ports Limited

中遠海運港口有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1199)

Directors:

Mr. ZHU Tao¹ (Chairman)
Ms. WU Yu¹ (Managing Director)
Mr. MA Xianghui²
Mr. CHEN Shuai²
Mr. Adrian David LI Man Kiu³
Mr. LAM Yiu Kin³
Prof. CHAN Ka Lok³
Mr. YANG Liang Yee Philip³
Prof. TAM Kam Lan, Annie³

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business:

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

General Counsel, Board Secretary:

Ms. HUNG Man, Michelle

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director

18 September 2025

To the Shareholders,

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS – NEW FINANCIAL SERVICES MASTER AGREEMENT

1 INTRODUCTION

Reference is made to the announcement of the Company dated 28 August 2025 of the entering into by the Company of the New Financial Services Master Agreement with COSCO SHIPPING Finance on 28 August 2025, pursuant to which COSCO SHIPPING Finance agreed to provide certain financial services to the Group for a term of 3 years from 1 January 2026 to 31 December 2028. In particular, the Deposit Transactions contemplated under the New Financial Services Master Agreement constitute a discloseable transaction as well as continuing connected transactions of the Company which are subject to the announcement requirements under Chapter 14 and Chapter 14A of the Listing Rules and the reporting, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

The purposes of this circular are:

- (a) to provide you with further details of the Deposit Transactions contemplated under the New Financial Services Master Agreement and the Proposed Deposit Transactions Caps;
- (b) to provide you with the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Deposit Transactions and the Proposed Deposit Transactions Caps; and
- (c) to give the Shareholders the notice convening the SGM at which an ordinary resolution will be proposed to consider and approve, if appropriate, the Deposit Transactions and the Proposed Deposit Transactions Caps.

2 NEW FINANCIAL SERVICES MASTER AGREEMENT

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

Date: 28 August 2025

Parties: (1) the Company; and
(2) COSCO SHIPPING Finance

Term: 1 January 2026 to 31 December 2028

Effective date: The New Financial Services Master Agreement will take effect upon the obtaining of the necessary approval of the New Financial Services Master Agreement, the Deposit Transactions and/or the Proposed Deposit Transactions Caps by all competent authorities (including the Board and the general meetings of the Shareholders, as applicable) of the parties pursuant to the terms of the agreement, constitutional documents of the parties, applicable laws and regulations and the Listing Rules.

Based on the Proposed Deposit Transactions Caps, approval of the Independent Shareholders is required for the Deposit Transactions contemplated under the New Financial Services Master Agreement.

Subject matter: COSCO SHIPPING Finance will provide certain financial services to the Group, including the Deposit Transactions, the Loan Transactions, the Clearing Transactions and the Other Financial Transactions which COSCO SHIPPING Finance is permitted by the NFRA to provide. The Group has the right to obtain financial services from other financial institutions, determine the transaction amount and when to withdraw deposits based on its own business needs.

LETTER FROM THE BOARD

Transactions and pricing principle:

The transaction terms of the financial services to be provided under the New Financial Services Master Agreement (including the interest receivable by the Group from COSCO SHIPPING Finance and the interest and service or handling fees payable by the Group to COSCO SHIPPING Finance) shall be on normal commercial terms, fair and reasonable and negotiated on arm's length basis, and shall be no less favourable to the Group than (a) the terms offered by other independent third party commercial banks and/ or licensed financial institutions to the Group for the same type of services and (b) the terms offered by COSCO SHIPPING Finance to other members of the COSCO SHIPPING Group with the same qualities in the same period of time, and in particular:

(A) Deposit Transactions

Transactions:

COSCO SHIPPING Finance will accept deposits from members of the Group. The deposits may be in the form of a demand deposit, agreement deposit, notice deposit or time deposit. 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.

Pricing terms:

COSCO SHIPPING Finance will, in compliance with the applicable interest rate policies of the PBOC, take into account relevant market interest rates and actual business conditions when flexibly determining the pricing. The rate of interest which will accrue on any such deposits shall:

- (a) be no lower than the market interest rates;
- (b) make reference to and be no less favourable than 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 in accordance with the principle of fairness and reasonableness; and
- (c) make reference to the interest rates offered by COSCO SHIPPING Finance to other members of the COSCO SHIPPING Group with the same qualities for the same type of deposit services in the same period of time.

Before placing each deposit, the Company will comply with the steps listed above to ensure the proposed interest rate is within the above parameters. The final interest rate will be determined in compliance with all three factors above and be on normal commercial terms, fair and reasonable and negotiated on an arm's length basis.

LETTER FROM THE BOARD

Historical transaction amounts:

The existing annual caps in respect of the daily maximum aggregate deposits amount of deposits placed by the Group with COSCO SHIPPING Finance (including the amount of any interest accrued thereon) for each of the years ended 31 December 2023 and 2024 and the year ending 31 December 2025 are RMB3,500 million for each year.

The historical highest daily aggregate amounts of deposits placed by the Group with COSCO SHIPPING Finance (including the amount of any interest accrued thereon) pursuant to the Existing Financial Services Master Agreement are set out below:

	For the financial year ended 31 December 2023 RMB million (approximately)	For the financial year ended 31 December 2024 RMB million (approximately)	For the seven months ended 31 July 2025 RMB million (approximately)
Highest daily aggregate deposits amount (including any interest accrued)	3,357	3,411	3,295

Proposed Deposit Transactions Caps and basis:

The estimated daily maximum aggregate amounts of deposits to be placed by the Group with COSCO SHIPPING Finance (including the amount of any interest accrued thereon) for each of the financial years during the term of the New Financial Services Master Agreement and the basis of determination thereof are as follows:

	For the financial year ending 31 December 2026 RMB million	For the financial year ending 31 December 2027 RMB million	For the financial year ending 31 December 2028 RMB million
Proposed daily maximum aggregate deposits amount (including any interest accrued)	3,500	3,500	3,500

The Proposed Deposit Transactions Caps are determined with reference to:

- (a) the historical levels and changes in the Group's cash and bank deposits balances. The Group reported total balances of cash and cash equivalent and restricted bank deposits of approximately US\$1,115.2 million,

LETTER FROM THE BOARD

US\$1,208.0 million and US\$1,029.2 million as at 31 December 2022, 2023, and 2024 respectively, showing a relatively steady total cash position during the three years ended 31 December 2024;

- (b) an anticipated level of cash of the Group arising from receipt of dividend income from investment during the term of the New Financial Services Master Agreement;
- (c) the anticipated cash flow demand based on the current scale and operation of the business of the Group and the business plans of the Group for the next 3 years;
- (d) the need to maintain necessary capital expenditures in order to meet the Group's needs arising from the expected year on year expansion of the scale and development of the business of the Group;
- (e) the expected interest income generated from the Group's deposits balances with COSCO SHIPPING Finance in the next 3 years; and
- (f) the 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.

The Company did not exceed the existing annual caps under the Existing Financial Services Master Agreement during each of the years ended 31 December 2023 and 2024 and the eight months ended 31 August 2025. Although there was a high degree of utilisation under the existing annual caps, the Company does not expect a substantial increase in the total cash position, anticipated level of cash of the Group arising from receipt of dividend income or cash flow demand in the three years ended 31 December 2028 and expects to have relatively stable overall deposit needs. Furthermore, the New Financial Services Master Agreement will not preclude the Group from using the services of other financial institutions as it thinks fit and appropriate for the benefit of the Group should its overall deposit needs increase. Therefore, the Board is of the view that maintaining the Proposed Deposit Transactions Caps at RMB3,500 million for each of the years ending 31 December 2026, 2027 and 2028, respectively, is fair and reasonable.

(B) Loan Transactions

Transactions:

COSCO SHIPPING Finance will provide loans to members of the Group, and no security over assets of the Group will be granted to secure such loans. Any loan which requires security over assets of the Group will fall outside the scope of the New Financial Services Master Agreement.

Pricing terms:

Subject to the compliance with the applicable interest rate policies of the PBOC, the rate of interest which will accrue on any loan shall:

- (a) be no higher than the market interest rates;

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- (b) make reference to market interest rates, being the interest rates charged by independent third party commercial banks and/or financial institutions providing the same type of loan services on normal commercial terms in their ordinary course of business in the same or nearby service area, and in accordance with the principle of fairness and reasonableness; and
- (c) make reference to the interest rates charged by COSCO SHIPPING Finance to other members of the COSCO SHIPPING Group with the same qualities for the same type of loan in the same period of time.

If any member of the Group is unable to repay the outstanding loans owing by the Group to COSCO SHIPPING Finance, COSCO SHIPPING Finance will have the right to offset such outstanding loans due from the Group against the deposits placed by the Group with COSCO SHIPPING Finance.

(C) *Clearing Transactions*

COSCO SHIPPING Finance will provide clearing services to members of the Group, for which no service fee will be charged for the time being.

(D) *Other Financial Transactions*

COSCO SHIPPING Finance will also provide foreign exchange services and other financial services which it is permitted by the NFRA to provide to the Group. The charges for such services will:

- (a) be no higher than the fee standards prescribed by the PBOC or the NFRA for the same type of financial services (where applicable);
- (b) make reference to the fees charged by independent third party commercial banks and/or financial institutions for the same type of financial services provided to the Group; and
- (c) make reference to the fees charged by COSCO SHIPPING Finance for the same type of financial services provided to other members of the COSCO SHIPPING Group with the same qualities.

Capital Risk Assessment and Control Measures

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

- (a) in order to ensure the security of the funds of the members of the Group, ensure that its funds management information system (i) operates safely; (ii) has passed the security test in respect of the interface with online banking of commercial banks; (iii) has attained the security standards for commercial banks in the PRC; and (iv) has adopted the certification authority security certificate mode;

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- (b) operate strictly in compliance with the risk monitoring indicators guidelines for finance companies issued by the NFRA, and ensure that its main regulatory indicators such as liquidity ratio comply with the requirements of the NFRA and other relevant PRC laws and regulations;
- (c) within 3 business days after submission of regulatory report to the NFRA, submit a copy of the same to the Company's senior management and executive Directors for review;
- (d) (i) submit monthly financial statements to the Company's senior management and executive Directors for review on the fifth business day of the following month; and (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;
- (e) cooperate with the Company when it exercises its right to assign specialised organisations and personnel to proactively assess and supervise the risk of the funds deposited with COSCO SHIPPING Finance, and to provide the Company's auditors with records of transactions under the New Financial Services Master Agreement on reasonable advance notice so as to enable the Company's auditors to report on the matters contemplated under the New Financial Services Master Agreement as required by the Listing Rules;
- (f) obtain the Company's prior written consent if COSCO SHIPPING Finance makes any long-term equity investment;
- (g) notify the Company in writing within 2 business days upon occurrence of the following events of COSCO SHIPPING Finance and to take measures to prevent the occurrence or aggravation of loss:
 - (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) loans owing by its shareholders overdue by over 6 months;
 - (vi) serious payment crises experienced by COSCO SHIPPING Finance;
 - (vii) the loss of COSCO SHIPPING Finance in a given year exceeds 30% of its registered capital or exceeds 10% of its registered capital for 3 consecutive years;

LETTER FROM THE BOARD

- (viii) non-compliance with any regulatory indicators requirement under the Measures for the Administration of Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》);
- (ix) material administrative penalty and orders for rectification imposed by the NFRA or other regulatory authorities;
- (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 members of the Group.

In such event, COSCO SHIPPING Finance shall actively adjust its balance sheet, cooperate with the Company's risk management requirements in a timely manner, and effectively control and eliminate the risks, in order to ensure the security of the relevant assets of members of the Group, and 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 COSCO SHIPPING Finance) will increase the capital of COSCO SHIPPING Finance in accordance with its actual needs for resolving its payment difficulties; and

- (h) if any member of the Group cannot withdraw the deposits placed with COSCO SHIPPING Finance, COSCO SHIPPING Finance shall agree to the Group offsetting such deposit amounts against any amounts of outstanding loan owing by the Group to COSCO SHIPPING Finance.

The Board is of the view that the above capital risk control measures will allow the management of the Group to be informed and notified of any material risks which may harm the recoverability of the deposits placed by the Group with COSCO SHIPPING Finance.

Further, as informed by COSCO SHIPPING Holdings, on 28 August 2025, COSCO SHIPPING issued a guarantee letter to COSCO SHIPPING Holdings (the **"Guarantee to CSH"**) pursuant to which COSCO SHIPPING unconditionally and irrevocably undertakes that it will maintain its effective control of COSCO SHIPPING Finance and guarantee its proper and orderly operation, and it will be responsible for any loss suffered by the COSCO SHIPPING Holdings Group due to the failure in performance of obligations by COSCO SHIPPING Finance. In respect of the deposits provided by the COSCO SHIPPING Holdings Group under the financial services master agreement between COSCO SHIPPING Finance and COSCO SHIPPING Holdings, it will use its best endeavours and take all reasonable steps to guarantee that COSCO SHIPPING Finance will use such deposits primarily for the purpose of facilitating the fund transfer services and entrustment loan services for and among members of the COSCO SHIPPING Holdings Group. As the Company is a member of the COSCO SHIPPING Holdings Group, the Guarantee to CSH will in effect also (to the extent applicable) apply to the deposits placed by the Group with COSCO SHIPPING Finance pursuant to the Deposit Transactions.

LETTER FROM THE BOARD

3 REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE NEW FINANCIAL SERVICES MASTER AGREEMENT

The Group requires deposit services, loan services, clearing services and other financial services in its ordinary course of business which are currently also provided by independent third party commercial banks and/or financial institutions. Since the transaction terms of the financial services to be provided by COSCO SHIPPING Finance under the New Financial Services Master Agreement (including the interest receivable by the Group from COSCO SHIPPING Finance and the interest and service or handling fees payable by the Group to COSCO SHIPPING Finance) will be no less favourable to the Group than the terms offered by other independent third party commercial banks and/or financial institutions to the Group for the same type of services, this represents cost savings to the Group by potentially reducing the amount of interest costs, finance fees and charges payable as well as potential increase in interest income. The financial services to be provided by COSCO SHIPPING Finance under the New Financial Services Master Agreement are also diversified and can meet the business needs of the Group.

In relation to the deposit transactions under the Existing Financial Services Master Agreement, the interest income received by the Group from COSCO SHIPPING Finance during the years of 2023 and 2024 and the six months ended 30 June 2025 was approximately RMB55.18 million, approximately RMB49.22 million and approximately RMB15.86 million respectively, and when comparing to deposit rates offered and published by other independent third party commercial banks, additional interest income of approximately RMB12.30 million, approximately RMB9.27 million and approximately RMB5.27 million respectively is estimated to have been achieved. During the years of 2023 and 2024 and the six months ended 30 June 2025, the deposit rates offered by COSCO SHIPPING Finance ranged from 0.15% to 2.10%, while the deposit rates offered and published by independent third party commercial banks ranged from 0.05% to 1.65%.

In relation to the loan transactions under the Existing Financial Services Master Agreement, the interest costs paid by the Group to COSCO SHIPPING Finance during the year 2024 and the six months ended 30 June 2025 were approximately RMB57.40 million (outstanding loan principal amount as at 31 December 2024 was approximately RMB1,596 million) and approximately RMB20.33 million (outstanding loan principal amount as at 30 June 2025 was approximately RMB1,565 million) respectively, and when comparing to the lending rates offered by other independent third party commercial banks, interest cost savings of approximately RMB2.91 million and approximately RMB1.19 million respectively are estimated to have been achieved.

According to the unaudited financial statements of COSCO SHIPPING Finance for the six months ended 30 June 2025 prepared in accordance with the Accounting Standards for Business Enterprises of the PRC* (中國企業會計準則), COSCO SHIPPING Finance had cash and cash equivalents (including deposits with PBOC) of approximately RMB121,433 million as at 30 June 2025 and net interest income, profit before tax and net profit after tax for the six months ended 30 June 2025 of approximately RMB2,621 million, approximately RMB821 million and approximately RMB618 million respectively. Based on such unaudited financial statements, as at 30 June 2025, COSCO SHIPPING Finance met the benchmarks of the following regulatory indicators set by NFRA:

Regulatory indicator	Benchmark	COSCO SHIPPING Finance
		Finance
Capital adequacy ratio	≥10.5%	24.12%
Liquidity ratio	≥25%	58.45%
Non-performing assets ratio	≤4%	0%
Non-performing loans ratio	≤5%	0%

LETTER FROM THE BOARD

With COSCO SHIPPING Finance being a member of the COSCO SHIPPING Group, the Group is also expected to benefit from COSCO SHIPPING Finance's better understanding of the operation and business needs of the Group which will allow more expedient and efficient services than those rendered by independent third party commercial banks and/or financial institutions. Any interest amounts in respect of the Deposit Transactions will be automatically paid into the relevant deposit accounts. Any interest amounts and fees payable in respect of the Loan Transactions and Clearing Transactions (if any) will be paid out of the Group's designated COSCO SHIPPING Finance account(s). The time required for COSCO SHIPPING Finance to examine and approve loans to be provided to the Group is also expected to be shorter than that required by independent third party commercial banks and/or financial institutions.

Furthermore, any risk of the Group associated with the placing of deposits with COSCO SHIPPING Finance will be minimised by the capital risk control measures as set out in the section headed "*Letter from the Board — 2. New Financial Services Master Agreement — Capital Risk Assessment and Control Measures*" in this circular.

The New Financial Services Master Agreement will provide the Group with additional means of financing and improve the efficiency of the use of its funds through favourable interest income and costs of financing. The New Financial Services Master Agreement will not preclude the Group from using the services of other financial institutions as it thinks fit and appropriate for the benefit of the Group. Where required, the Group will solicit other reference quotations, where available, from independent third party commercial banks and/or financial institutions in respect of similar transactions for comparison and consideration. In practice, the Group usually diversifies its cash deposits with a number of banks and financial institutions and obtains loans from different institutions for more competitive interest rates.

4 INTERNAL CONTROL PROCEDURES OF THE CONTINUING CONNECTED TRANSACTIONS UNDER THE NEW FINANCIAL SERVICES MASTER AGREEMENT

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 control systems to ensure that the relevant continuing connected transactions between the Group and its connected persons are conducted in accordance with the terms of the New Financial Services Master Agreement, the Company will implement the following internal control arrangements:

- (a) The Finance Division of the Company will monitor the market interest rates with independent third parties in respect of comparable types of financial services on a weekly basis.
- (b) For the purposes of observance of the general pricing policies set out in the sections headed "Pricing terms" above, where applicable, the Finance Division of the Company will monitor on a weekly basis the market conditions and the prevailing market prices (where appropriate) including the market interest rates offered or charged or fees charged by independent third parties for comparable types of deposit, loan and other financial services.
- (c) The Finance Division of the Company and each member of the Group has a designated person to record the entering into of continuing connected transactions.
- (d) The Finance Division of the Company will prepare a "Summary for Continuing Connected Transactions" each quarter and organise meetings regularly to review and assess whether the relevant continuing connected transactions are conducted in accordance with the terms and pricing policies of their respective continuing connected transaction master agreements. After the "Summary for Continuing Connected Transactions" is reviewed by the relevant

LETTER FROM THE BOARD

divisions of the Company and the management, it will be submitted to the Audit Committee of the Company and the Board for further review.

- (e) The Audit and Supervision Division of the Company will monitor the risks related to continuing connected transactions by reviewing the minutes of important meetings as well as accounting records to identify if the Group has any undisclosed connected transactions.
- (f) The Audit and Supervision Division will also check the terms and implementation status of the Group's policies and requirements related to continuing connected transactions from time to time, including investigating the audited entities' processes for identification of connected persons and their procedures for dealing with continuing connected transactions. It is also responsible for monitoring the prices of the transactions with connected persons by reviewing samples of the relevant transactions to ensure such prices are in compliance with the pricing principle under the New Financial Services Master Agreement.
- (g) Each relevant member of the Group shall monitor its own utilisation of the portion of the annual transaction cap amount allocated to it by the Company (the "**Designated Amount**"). If the annual transaction amount of a relevant member of the Group reaches 80% of its Designated Amount, or is expected to exceed its Designated Amount within 3 months, such member shall inform the relevant personnel in the Finance Division and Legal & Compliance Division of the Company immediately and the Company shall determine the appropriate actions to be taken, such as (i) requiring such member not to enter into any further transactions which would cause the Designated Amount to be exceeded; (ii) increasing the Designated Amount allocated to such member by reducing the Designated Amount(s) allocated to other member(s); or (iii) if the accumulative annual transaction amount of the Group will exceed the relevant annual cap, the relevant member(s) of the Group shall provide sufficient reasons and cooperate with the Company to revise the annual cap and comply with the relevant requirements of the Listing Rules.
- (h) The independent non-executive Directors will provide an annual confirmation as to whether the continuing connected transactions under the New Financial Services Master Agreement have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are in accordance with the New Financial Services Master Agreement on terms that are fair and reasonable and in the interests of the Shareholders as a whole as required by Rule 14A.55 of the Listing Rules.
- (i) The auditor of the Company will be engaged to report on the continuing connected transactions of the Group disclosed in the annual report. The auditor of the Company will issue an annual letter to the Board in accordance with Rule 14A.56 of the Listing Rules containing their conclusions in relation to, among others, the Deposit Transactions and confirming whether anything has come to their attention that causes them to believe that the Deposit Transactions: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the New Financial Services Master Agreement; and (iv) have exceeded the Proposed Deposit Transactions Caps.

The Board is of the view that the Group has implemented effective internal control procedures as set out above to ensure that the pricing and other contract terms of the transactions under the New Financial Services Master Agreement will be conducted on normal commercial terms and no less favourable to the Group than the terms available from independent third parties in accordance with the New Financial Services Master Agreement.

5 IMPLICATIONS UNDER THE LISTING RULES

The Company

As COSCO SHIPPING is the ultimate controlling Shareholder indirectly holding 2,786,875,732 Shares (representing approximately 71.93% of the total number of the Shares in issue as at the Latest Practicable Date) and COSCO SHIPPING Finance is a subsidiary of COSCO SHIPPING, COSCO SHIPPING Finance is a connected person of the Company. Accordingly, the transactions contemplated under the New Financial Services Master Agreement (including the Deposit Transactions, the Loan Transactions, the Clearing Transactions and the Other Financial Transactions) will constitute continuing connected transactions of the Company.

Non-exempt continuing connected transactions and discloseable transaction

As the highest applicable percentage ratio calculated based on the Proposed Deposit Transactions Caps for the Deposit Transactions (which constitute provision of financial assistance under Rule 14.04(1)(e) of the Listing Rules) exceeds 5% but is less than 25%, the Deposit Transactions will also constitute a discloseable transaction of the Company. Accordingly, the Deposit Transactions and the Proposed Deposit Transactions Caps will be subject to the announcement requirements under Chapter 14 and Chapter 14A of the Listing Rules and the reporting, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Fully-exempt continuing connected transactions

As the Loan Transactions will be conducted on normal commercial terms or better and any loan granted by COSCO SHIPPING Finance to the Group under the New Financial Services Master Agreement will not be secured by assets of the Group, and no service fee will be charged by COSCO SHIPPING Finance in relation to the Clearing Transactions, the Loan Transactions and the Clearing Transactions will be fully exempt from the requirements under Chapter 14A of the Listing Rules pursuant to Rules 14A.90 and 14A.76(1) of the Listing Rules respectively. Relevant disclosures are included herein to keep the Shareholders apprised only.

As each of the applicable percentage ratios in respect of the Other Financial Transactions is expected to be less than 0.1%, the Other Financial Transactions constitute de minimis transactions pursuant to Rule 14A.76(1) of the Listing Rules and will be fully exempt from the requirements under Chapter 14A of the Listing Rules. Relevant disclosures are included herein to keep the Shareholders apprised only.

COSCO SHIPPING Holdings

As COSCO SHIPPING is also the ultimate controlling shareholder of COSCO SHIPPING Holdings, which is in turn an intermediate controlling Shareholder and holding company of the Company, COSCO SHIPPING Finance is also a connected person of COSCO SHIPPING Holdings and accordingly the transactions under the New Financial Services Master Agreement will also constitute continuing connected transactions of COSCO SHIPPING Holdings, which will fall under the scope of COSCO SHIPPING Holdings' own financial services master agreement with COSCO SHIPPING Finance which covers transactions of COSCO SHIPPING Holdings and its subsidiaries with COSCO SHIPPING Finance.

LETTER FROM THE BOARD

It is understood that entering into or renewal of financial services master agreement between COSCO SHIPPING Holdings and COSCO SHIPPING Finance may have to be approved by the independent shareholders of COSCO SHIPPING Holdings under the Listing Rules and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. However, the New Financial Services Master Agreement is not conditional upon COSCO SHIPPING Holdings' obtaining of its independent shareholders' approval. Whether or not such approval is obtained by COSCO SHIPPING Holdings, the Group will cooperate with COSCO SHIPPING Holdings to assist its compliance with the Listing Rules and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange in relation to the transactions under the New Financial Services Master Agreement (including adherence to any applicable limits or annual caps which may apply to transactions of COSCO SHIPPING Holdings and its subsidiaries with COSCO SHIPPING Finance).

6 DIRECTORS' INTERESTS

Mr. MA Xianghui, who is the chairman of the board and legal representative of COSCO SHIPPING Finance, has abstained from voting on the relevant Board resolutions of the Company pursuant to the Bye-laws.

7 INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Adrian David LI Man Kiu, Mr. LAM Yiu Kin, Prof. CHAN Ka Lok, Mr. YANG Liang Yee Philip and Prof. TAM Kam Lan, Annie, has been established to advise the Independent Shareholders in respect of the Deposit Transactions and the Proposed Deposit Transactions Caps, and on how to vote, taking into account the recommendation of the Independent Financial Advisers, in respect of such matters at the SGM. Somerley has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in such regard.

8 PRINCIPAL ACTIVITIES OF 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.

COSCO SHIPPING Finance

COSCO SHIPPING Finance is a non-bank financial institution approved by the former China Banking and Insurance Regulatory Commission and is currently regulated by the NFRA. COSCO SHIPPING Finance is principally engaged in providing financial services to the COSCO SHIPPING Group in accordance with the laws and regulations regulating finance companies of enterprise groups. It is a non-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.

LETTER FROM THE BOARD

9 SGM

Given that COSCO SHIPPING Finance is a subsidiary of COSCO SHIPPING, in view of the interests of COSCO SHIPPING in the Deposit Transactions, China COSCO (Hong Kong) Limited and COSCO Investments Limited, which together were interested in an aggregate of approximately 71.93% of the total issued share capital of the Company as at the Latest Practicable Date, are required to abstain from voting on the resolution to be proposed at the SGM to approve the New Financial Services Master Agreement in respect of the Deposit Transactions and the Proposed Deposit Transactions Caps. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the New Financial Services Master Agreement in respect of the Deposit Transactions that is required to abstain from voting on the resolution to be proposed at the SGM to approve the New Financial Services Master Agreement in respect of the Deposit Transactions and the Proposed Deposit Transactions Caps.

A notice convening the SGM to be held at 2:30 p.m. on Thursday, 20 November 2025, at 47th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong is set out on pages 41 to 42 of this circular. A resolution will be proposed at the SGM to approve the New Financial Services Master Agreement in respect of the Deposit Transactions and the Proposed Deposit Transactions Caps.

Shareholders who are entitled to vote at the SGM are those whose names appear as Shareholders on the register of members of the Company as at the close of business on Friday, 14 November 2025. In order to be entitled to vote at the SGM, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 14 November 2025.

A proxy form for use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM or any adjournment thereof, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof if you so wish.

10 RECOMMENDATION

The Directors (including members of the Independent Board Committee whose recommendations are contained in the section headed "*Letter from the Independent Board Committee*" of this circular), save for Mr. MA Xianghui, consider that the Deposit Transactions are and will be in the ordinary and usual course of business of the Group and on normal commercial terms, and their terms and the Proposed Deposit Transactions Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Deposit Transactions contemplated under the New Financial Services Master Agreement and the Proposed Deposit Transactions Caps.

LETTER FROM THE BOARD

11 ADDITIONAL INFORMATION

Your attention is drawn to:

- (a) the letter from the Independent Board Committee, the text of which is set out on page 20 of this circular;
- (b) the letter from the Independent Financial Adviser, the text of which is set out on pages 21 to 35 of this circular; and
- (c) the additional information set out in the appendix of this circular.

Yours faithfully,
For and on behalf of
COSCO SHIPPING Ports Limited
ZHU Tao
Chairman



COSCO SHIPPING Ports Limited
中遠海運港口有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1199)

18 September 2025

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION AND
CONTINUING CONNECTED TRANSACTIONS –
NEW FINANCIAL SERVICES MASTER AGREEMENT**

The Independent Board Committee has been established to advise you in connection with the Deposit Transactions contemplated under the New Financial Services Master Agreement and the Proposed Deposit Transactions Caps, details of which are set out in the letter from the Board contained in the circular to the Shareholders dated 18 September 2025 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein, unless the context otherwise requires.

Having considered the terms of the Deposit Transactions contemplated under the New Financial Services Master Agreement and the Proposed Deposit Transactions Caps and the advice of Somerley in relation thereto as set out on pages 21 to 35 of the Circular, we are of the opinion that the Deposit Transactions contemplated under the New Financial Services Master Agreement are and will be on normal commercial terms and in the ordinary and usual course of business of the Group, and their terms and the Proposed Deposit Transactions Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Deposit Transactions contemplated under the New Financial Services Master Agreement and the Proposed Deposit Transactions Caps for the period from 1 January 2026 to 31 December 2028.

Yours faithfully,
Independent Board Committee of
COSCO SHIPPING Ports Limited

Adrian David LI Man Kiu

LAM Yiu Kin

CHAN Ka Lok

YANG Liang Yee Philip

TAM Kam Lan, Annie

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Somerley Capital Limited prepared for the purpose of inclusion in this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Deposit Transactions under the New Financial Services Master Agreement.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

18 September 2025

To: The Independent Board Committee and the Independent Shareholders

Dear Sirs or Madam,

**DISCLOSEABLE TRANSACTION AND
CONTINUING CONNECTED TRANSACTIONS –
NEW FINANCIAL SERVICES MASTER AGREEMENT**

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and Independent Shareholders in connection with the Deposit Transactions under the New Financial Services Master Agreement and the Proposed Deposit Transactions Caps for the Deposit Transactions (the “**Transactions**”). Details of the Transactions are set out in the Letter from the Board contained in the circular of the Company to its shareholders dated 18 September 2025 (the “**Circular**”), of which this letter form part. Unless otherwise defined, terms used in this letter shall have the same meanings as those defined in the Circular.

As the Existing Financial Services Master Agreement is due to expire, the Company entered into the New Financial Services Master Agreement with COSCO SHIPPING Finance on 28 August 2025, pursuant to which COSCO SHIPPING Finance will continue to provide certain financial services (including the Deposit Transactions, the Loan Transactions, the Clearing Transactions and the Other Financial Transactions) to the Group from time to time for a term of 3 years commencing on 1 January 2026 and ending on 31 December 2028.

As COSCO SHIPPING is the ultimate controlling Shareholder indirectly holding 2,786,875,732 Shares (representing approximately 71.93% of the total number of the Shares in issue as at the Latest Practicable Date) and COSCO SHIPPING Finance is a subsidiary of COSCO SHIPPING, COSCO SHIPPING Finance is a connected person of the Company. Accordingly, the transactions contemplated under the New Financial Services Master Agreement (including the Deposit Transactions, the Loan Transactions, the Clearing Transactions and the Other Financial Transactions) will constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio calculated based on the Proposed Deposit Transactions Caps for the Deposit Transactions (which constitute provision of financial assistance under Rule 14.04(1)(e) of the Listing Rules) exceeds 5% but is less than 25%, the Deposit Transactions will also constitute a discloseable transaction of the Company. Accordingly, the Deposit Transactions and the Proposed Deposit Transactions Caps will be subject to the announcement requirements under Chapter 14

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and Chapter 14A of the Listing Rules and the reporting, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Adrian David LI Man Kiu, Mr. LAM Yiu Kin, Prof. CHAN Ka Lok, Mr. YANG Liang Yee Philip and Prof. TAM Kam Lan, Annie has been established to advise the Independent Shareholders on the Transactions. We, Somerley Capital Limited, have been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Transactions.

We are not associated or connected with the Company, COSCO SHIPPING Finance or their respective substantial shareholders or associates and, accordingly, are considered eligible to give independent advice on the Transactions. Apart from normal professional fees payable by the Company to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, COSCO SHIPPING Finance or their respective substantial shareholders or associates. In the two years prior to this appointment, we did not have other engagement with the Company or its associates. Therefore, we are eligible to act as independent financial adviser for the Transactions.

In formulating our advice and recommendation, we have reviewed information on the Company, including but not limited to, the New Financial Services Master Agreement, annual reports of the Company for the year ended 31 December 2023 ("**FY2023**") ("**2023 Annual Report**") and the year ended 31 December 2024 ("**FY2024**") ("**2024 Annual Report**"), and the interim results announcement of the Group for the six months ended 30 June 2025 ("**1H2025**") ("**2025 Interim Results**") and other information contained in the Circular.

In addition, we have relied on the information and facts supplied, and the opinions expressed by the Directors and management of the Company (collectively, the "**Management**"), which we have assumed to be true, accurate and complete in all material aspects at the time they were made and will remain true, accurate and complete in all material aspects up to the date of the special general meeting. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied by them and that their opinions expressed to us are not misleading. We consider that the information we have received is sufficient for us to formulate our opinion and recommendation as set out in this letter and have no reason to believe that any material information has been omitted or withheld, nor to doubt the truth or accuracy or completeness of the information provided to us. We have not, however, conducted any independent investigation into the businesses and affairs of the Group or COSCO SHIPPING Finance, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Transactions, we have considered the following principal factors and reasons:

1. Information on the Group

1.1 Background information of the Company

The Company was listed on the Main Board of the Stock Exchange in 1994. As disclosed in the letter from the Board in the Circular, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2 Financial performance of the Group

Set out below is a summary of the Group's audited consolidated financial performance for the three years ended 31 December 2022 ("FY2022"), FY2023 and FY2024 as extracted from the 2023 Annual Report and the 2024 Annual Report and the Group's unaudited consolidated financial performance for the six months ended 30 June 2024 ("1H2024") and 1H2025 as extracted from the 2025 Interim Results:

	For the six months ended 30 June		For the year ended 31 December		
	2025	2024	2024	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(Audited)	(Audited)	(restated) (Audited)
Revenues	806,008	709,811	1,502,989	1,454,353	1,441,273
Cost of sales	(586,932)	(511,175)	(1,086,164)	(1,033,491)	(1,011,595)
Gross profit	219,076	198,636	416,825	420,862	429,678
Administrative expenses	(86,421)	(80,345)	(168,776)	(164,596)	(167,457)
Other operating income	16,351	12,180	59,245	39,466	35,407
Other operating expenses	(12,081)	(9,885)	(40,171)	(20,916)	(36,278)
Operating profit	136,925	120,586	267,123	274,816	261,350
Finance income	12,934	16,239	29,203	27,998	17,122
Finance costs	(71,103)	(83,891)	(152,451)	(171,189)	(126,387)
Operating profit (after finance income and costs)	78,756	52,934	143,875	131,625	152,085
Share of profits less losses of					
– joint ventures	31,642	29,740	57,173	61,805	75,078
– associates	144,114	125,610	262,942	236,056	232,946
Profit before taxation	254,512	208,284	463,990	429,486	460,109
Taxation	(30,028)	(39,355)	(73,057)	(35,206)	(69,365)
Profit for the year/period	224,484	168,929	390,933	394,280	390,744
Profit attributable to:					
Equity holders of the Company	181,796	139,215	308,816	324,557	306,633
Non-controlling interests	42,688	29,714	82,117	69,723	84,111

FY2023 vs FY2022

Revenue marginally increased in FY2023 by approximately 0.91% as compared to FY2022 mainly due to the overall increase in revenues generated from the Company's terminals. Gross profit marginally decreased by approximately 2.05% mainly due to increases in cost of sales reported for Xiamen Haitou Supply Chain, Piraeus Terminal, CSP Abu Dhabi Terminal.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Profit attributable to equity holders of the Company increased by approximately 5.85% mainly due to decrease in taxation which was related to the one-off reversal of tax provision of approximately US\$20.1 million made in previous years, and as a result of reduction in the income tax rate on dividend withholding for certain controlling terminals and year-on-year decrease in overall profit of the controlling terminals.

FY2024 vs FY2023

Revenues for FY2024 increased by approximately 3.34% as compared to FY2023 due to continued increase in throughput of terminals. Gross profit on the other hand decreased by approximately 0.96% due to increases in cost of sales which are operating expenses of terminals in which the Group has controlling stakes in.

Profit attributable to equity holders of the Company for FY2024 slightly decreased by approximately 4.85% mainly due to the increase in taxation.

1H2025 vs 1H2024

Revenue increased in 1H2025 by approximately 13.55% as compared to 1H2024 mainly due to the overall increases in revenues generated from the Company's terminals. Gross profit increased by approximately 10.29% mainly in line with the increase in revenue.

Profit attributable to equity holders of the Company increased by approximately 30.59% as a result of among other things, the increases in revenues and share of profits less losses of joint ventures and associates during 1H2025 as compared to 1H2024.

1.3 Financial position of the Group

Set out below is a summary of the consolidated financial position of the Group as at 31 December 2024 and 30 June 2025, as extracted from the 2025 Interim Results:

	30 June 2025	31 December 2024
	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS		
Property, plant and equipment	4,433,206	4,385,069
Joint ventures	1,111,665	1,083,123
Associates	3,479,774	3,392,014
Restricted bank deposits	10,396	21,823
Cash and cash equivalents	1,283,317	1,007,410
Other assets	2,303,913	2,131,947
Total Assets	12,622,271	12,021,386
LIABILITIES	5,297,223	4,976,139
EQUITY		
Attributable to equity holders of the Company	6,190,910	5,930,639
Non-controlling interests	1,134,138	1,114,608
Total Equity	7,325,048	7,045,247

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Total assets of the Group as at 30 June 2025 increased by approximately 5.00% to approximately US\$12,622.3 million as compared to that as at 31 December 2024. Cash and cash equivalents and restricted bank deposits as at 30 June 2025 in aggregate amounted to approximately US\$1,293.7 million, representing an increase of around 25.70% from approximately US\$1,029.2 million as at 31 December 2024. Total liabilities of the Group as at 30 June 2025 is approximately US\$5,297.2 million. Total equity attributable to equity holders of the Company was approximately US\$6,190.9 million as at 30 June 2025.

2. Information on COSCO SHIPPING and COSCO SHIPPING Finance

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.

COSCO SHIPPING Finance is a non-bank financial institution approved by the former China Banking and Insurance Regulatory Commission and is currently regulated by the NFRA. COSCO SHIPPING Finance is principally engaged in providing financial services to the COSCO SHIPPING Group in accordance with the laws and regulations regulating finance companies of enterprise groups. It is a non-wholly owned subsidiary of COSCO SHIPPING.

According to the unaudited financial statements of COSCO SHIPPING Finance for the six months ended 30 June 2025 prepared in accordance with the Accounting Standards for Business Enterprises of the PRC* (中國企業會計準則), COSCO SHIPPING Finance had cash and cash equivalents (including deposits with PBOC) of approximately RMB121,433 million as at 30 June 2025 and net interest income, profit before tax and net profit after tax for the six months ended 30 June 2025 of approximately RMB2,621 million, approximately RMB821 million and approximately RMB618 million respectively. Based on such unaudited financial statements, as at 30 June 2025 and as confirmed by the Company, COSCO SHIPPING Finance has met all of the benchmarks of the regulatory indicators set by NFRA, including but not limited to the following key regulatory indicators:

Regulatory indicator	Benchmark	COSCO SHIPPING Finance
Capital adequacy ratio	≥10.5%	24.12%
Liquidity ratio	≥25%	58.45%
Non-performing assets ratio	≤4%	0%
Non-performing loans ratio	≤5%	0%

3. Background of and reasons for the Transactions

As disclosed in the letter from the Board in the Circular, the Group requires financial services, including deposit services in its ordinary course of business which are currently also provided by independent third-party commercial banks and/or financial institutions as well as COSCO SHIPPING Finance. As the Existing Financial Services Master Agreement is due to expire, the Company entered into the New Financial Services Master Agreement with COSCO SHIPPING Finance on 28 August 2025, pursuant to which COSCO SHIPPING Finance will continue to provide certain financial services (including the Deposit Transactions) to the Group from time to time for a term of 3 years commencing on 1 January 2026 and ending on 31 December 2028.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on our understanding from the Management, COSCO SHIPPING Finance has been providing financial services, including but not limited to, the deposit services to the Group since 2014. The financial services, including the Deposit Transactions to be provided by COSCO SHIPPING Finance under the New Financial Services Master Agreement, are also diversified and can meet the business needs of the Group. Given the long and stable business cooperation with COSCO SHIPPING Finance and with COSCO SHIPPING Finance being a member of the COSCO SHIPPING Group, the Group is also expected to benefit from COSCO SHIPPING Finance's better understanding of the operation and business needs of the Group which will allow more expedient and efficient services than those rendered by independent third-party commercial banks and/or financial institutions.

As stated in the section headed "2. Information on COSCO SHIPPING and COSCO SHIPPING Finance" above, COSCO SHIPPING Finance provides its services in accordance and in compliance with rules and operational requirements of the NFRA and COSCO SHIPPING Finance met all applicable regulatory indicators set by the NFRA as of 30 June 2025. We have further enquired and were advised that, (1) COSCO SHIPPING Finance and its businesses comply with applicable laws and regulations; and (2) since COSCO SHIPPING Finance's incorporation, it has not experienced any (i) bank-run; (ii) inability to settle debts that fall due; (iii) substantial amount of loan overdue; (iv) serious computer system malfunction; (v) bank heist or being defrauded; or (vi) involvement of serious disciplinary or criminal cases by senior management.

We have discussed and understand from the Management that based on historical cooperative experience, the transaction terms of the financial services provided by COSCO SHIPPING Finance under the Existing Financial Services Master Agreement (including the interests receivable by the Group from COSCO SHIPPING Finance and the interests and services or handling fees payable by the Group to COSCO SHIPPING Finance) have been no less favourable to the Group than the terms offered by other independent third party commercial banks and/or financial institutions to the Group for the same type of services and the Group will only enter into the Deposit Transactions if the terms offered are no less favourable to the Group than the terms offered by independent third parties.

In addition, as further elaborated in the paragraph headed "6. Capital risk assessment and control measures" below, there are relevant capital risk assessment and control measures in place under the existing, as well as the New Financial Services Master Agreement which can provide safeguard to minimise any 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) if any member of the Group cannot withdraw the deposits placed with COSCO SHIPPING Finance, COSCO SHIPPING Finance shall agree to the Group offsetting such deposit amounts against any amounts of outstanding loan owing by the Group to COSCO SHIPPING Finance; and (iv) 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 Finance (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. More details of the measures in relation to the New Financial Services Master Agreement are set out in the section headed "6. Capital risk assessment and control measures" below.

In view of all the above and in particular, given the entering into of the New Financial Services Master Agreement will not preclude the Group from entering into deposit transactions with other financial institutions as it thinks fit and appropriate for the benefit of the Group, we consider the Deposit

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Transactions under the New Financial Services Master Agreement will provide the Group with more choices and flexibility in the selection of financial institutions in order to improve the efficiency of the use of its funds through favourable interest income. As prescribed by the Group's internal control mechanisms, where required, the Group will solicit other reference quotations, where available, from independent third-party commercial banks and/or financial institutions in respect of similar transactions for comparison and consideration. As disclosed in the letter from the Board in the Circular and also confirmed by the Management, in practice, the Group usually diversifies its cash deposits with a number of banks and financial institutions. As such, we consider the reasons for Deposit Transactions under the New Financial Services Master Agreement to be in the interests of the Company and its Independent Shareholders.

4. Terms of the New Financial Services Master Agreement

As disclosed in the letter from the Board in the Circular, principal terms of the New Financial Services Master Agreement are:

Date:	28 August 2025
Parties:	(1) the Company; and (2) COSCO SHIPPING Finance
Term:	1 January 2026 to 31 December 2028
Effective date:	The New Financial Services Master Agreement will take effect upon the obtaining of the necessary approval of the New Financial Services Master Agreement, the Deposit Transactions and/or the Proposed Deposit Transactions Caps by all competent authorities (including the Board and the general meetings of the Shareholders, as applicable) of the parties pursuant to the terms of the agreement, constitutional documents of the parties, applicable laws and regulations and the Listing Rules. Based on the Proposed Deposit Transactions Caps, approval of the Independent Shareholders is required for the Deposit Transactions contemplated under the New Financial Services Master Agreement.
Subject matter:	COSCO SHIPPING Finance will provide certain financial services to the Group, including the Deposit Transactions, the Loan Transactions, the Clearing Transactions and the Other Financial Transactions which COSCO SHIPPING Finance is permitted by the NFRA to provide. The Group has the right to obtain financial services from other financial institutions, determine the transaction amount and when to withdraw deposits based on its own business needs.

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As outlined in the letter from the Board in the Circular, the transactions and principle applied for Deposit Transactions are as follows:

Transactions:

COSCO SHIPPING Finance will accept deposits from members of the Group. The deposits may be in the form of a demand deposit, agreement deposit, notice deposit or time deposit. 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.

Pricing terms:

COSCO SHIPPING Finance will, in compliance with the applicable interest rate policies of the PBOC, take into account relevant market interest rates and actual business conditions when flexibly determining the pricing. The rate of interest which will accrue on any such deposits shall:

- (a) be no lower than the market interest rates;
- (b) make reference to and be no less favourable than 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 in accordance with the principle of fairness and reasonableness; and
- (c) make reference to the interest rates offered by COSCO SHIPPING Finance to other members of the COSCO SHIPPING Group with the same qualities for the same type of deposit services in the same period of time.

Before placing each deposit, the Company will comply with the steps listed above to ensure the proposed interest rate is within the above parameters. The final interest rate will be determined in compliance with all three factors above and be on normal commercial terms, fair and reasonable and negotiated on an arm's length basis.

In this respect, to assess the fairness and reasonableness of the pricing terms of the Deposit Transactions, we have requested and was provided with the full list of deposit transactions entered into between the Group and COSCO SHIPPING Finance during the two years ended 31 December 2024 and the seven months ended 31 July 2025 (the “**Relevant Period**”), from which we selected independently a total of 40 samples (the “**Sample Deposit Transactions**”) with reference to size of the interest income received and category of deposits made. Given the total amount of interest income received under the Sample Deposit Transactions represented approximately 30% of total interest income received by members of the Group from its deposits with COSCO SHIPPING Finance during the Relevant Period, we are of the view that the Sample Deposit Transactions are sufficient for the purpose of our analysis. Meanwhile we have also requested from the Company for details of corresponding interest rates offered for same types of deposit transactions by independent third-party financial institutions to demonstrate the terms offered by COSCO SHIPPING Finance were the same or better than that of the independent third-party financial institutions.

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Based on our review, we note the interest rates offered by COSCO SHIPPING Finance were no less favourable to the Group than those offered by other independent third-party commercial banks for the same type of deposit services for the same period. Results of our findings are summarized below:

	Deposit interest rates range
Sample Deposit Transactions	0.15%-2.10%
Independent third-party commercial banks	0.05%-1.65%

We have also discussed with the relevant personnel of the Finance Division of the Company and we understand that the department staffs are aware of the internal control procedures and as required by the internal control procedure, would monitor the market interest rates on a weekly basis in order to ensure the terms offered by COSCO SHIPPING Finance is no less favourable. Furthermore, we were also provided with the understanding that the same procedures will be implemented to ensure the Deposit Transactions to be continuously carried out on normal commercial terms in accordance with the aforementioned pricing terms.

In addition, as the entering into of the Deposit Transactions with COSCO SHIPPING Finance merely acts an alternative option for the Group in additional to independent third-party commercial banks and except for 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. As such, the Group always retains the flexibility to opt for other service providers if terms are more favourable than those offered by COSCO SHIPPING Finance.

Considering the above, we consider the terms of the Deposit Transactions are on normal commercial terms and are fair and reasonable.

5. Historical transaction amounts and proposed annual caps for the Deposit Transactions

The following table sets forth the historical actual amount and existing annual caps of maximum daily balance of deposits placed by the Group with COSCO SHIPPING Finance (including interest accrued thereon) under the Existing Financial Services Master Agreement.

	For the financial year ended 31 December		For the seven months ended 31 July 2025
	2023	2024	
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
	<i>(approximately)</i>	<i>(approximately)</i>	<i>(approximately)</i>
Highest daily aggregate deposits amount (including any interest accrued)	3,357	3,411	3,295
Existing annual cap	3,500	3,500	3,500
Utilisation	95.91%	97.46%	94.14%

As shown in the above table, the utilisation rates of historical annual caps were over 90% for the two years ended 31 December 2024 and the seven months ended 31 July 2025 respectively.

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The following table sets forth the Proposed Deposit Transactions Caps for years ending 31 December 2026, 2027 and 2028 (“FY2026”, “FY2027”, and “FY2028” respectively).

	For the financial year ending 31 December 2026 <i>RMB million</i>	For the financial year ending 31 December 2027 <i>RMB million</i>	For the financial year ending 31 December 2028 <i>RMB million</i>
Proposed daily maximum aggregate deposits amount (including any interest accrued)	3,500	3,500	3,500

As discussed in the letter from the Board in the Circular, the Proposed Deposit Transactions Caps are determined with reference to:

- (a) the historical levels and changes in the Group’s cash and bank deposits balances. The Group reported total balances of cash and cash equivalent and restricted bank deposits of approximately US\$1,115.2 million, US\$1,208.0 million and US\$1,029.2 million as at 31 December 2022, 2023, and 2024 respectively, showing a relatively steady total cash position during the three years ended 31 December 2024;
- (b) an anticipated level of cash of the Group arising from receipt of dividend income from investment during the term of the New Financial Services Master Agreement;
- (c) the anticipated cash flow demand based on the current scale and operation of the business of the Group and the business plans of the Group for the next 3 years;
- (d) the need to maintain necessary capital expenditures in order to meet the Group’s needs arising from the expected year on year expansion of the scale and development of the business of the Group;
- (e) the expected interest income generated from the Group’s deposits balances with COSCO SHIPPING Finance in the next 3 years; and
- (f) the 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.

We have reviewed the Company’s basis for determining the Proposed Deposit Transactions Caps and have also discussed the same with the Company. We understand the Company expects the demand for deposit services from COSCO SHIPPING Finance to remain relatively similar and stable. We further note that the Company has considered its business needs and historical utilisation rate of annual caps/maximum daily amounts in determining the Proposed Deposit Transactions Caps. Based on the historical transacted amounts, we note the historical utilisation rates of the annual caps under this category has been very close to 100% for each of the two years ended 31 December 2024.

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The Proposed Deposit Transactions Caps are expected to remain at RMB3,500 million for each of the three financial years ending 31 December 2028. In assessing the fairness and reasonableness of the proposed annual cap for FY2026, we have carried out the following independent analyses:

- (i) As discussed in the paragraph above, we note that the utilisation rates of the annual caps amounted to approximately 95.91% for FY2023 and approximately 97.46% for FY2024;
- (ii) We note from the 2023 Annual Report, the 2024 Annual Report and the 2025 Interim Results that, the Group reported total balances of cash and cash equivalent and restricted bank deposits (“**Total Cash Position**”) of approximately US\$1,115.2 million (equivalent to approximately RMB7,719.4 million), US\$1,208.0 million (equivalent to approximately RMB8,608.0 million), US\$1,029.2 million (equivalent to approximately RMB7,552.2 million) and US\$1,293.7 million (equivalent to approximately RMB9,266.4 million) as at 31 December 2022, 2023, 2024 and 30 June 2025 respectively based on exchange rates available on the last business day of each of 2022, 2023, 2024 and 30 June 2025 generated from Bloomberg. The Proposed Deposit Transactions Caps of RMB3,500 million represents roughly 45.3%, 40.7%, 46.3% and 37.8% of the Total Cash Position for each of 31 December 2022, 2023, 2024 and 30 June 2025 respectively. Shareholders should also note that the proposed annual cap represents a flexibility, and not an obligation, for the Group to deposit funds with COSCO SHIPPING Finance at market rates or better while enjoying services from a provider that is familiar with its business need;
- (iii) We note that the Company reported profit attributable to equity holders of the Company of approximately US\$306.6 million (equivalent to approximately RMB2,122.3 million), US\$324.6 million (equivalent to approximately RMB2,313.0 million) and US\$308.8 million (equivalent to approximately RMB2,265.9 million) for FY2022, FY2023 and FY2024 respectively based on exchange rates available on the last business day of each of 2022, 2023 and 2024 generated from Bloomberg. In light of the relatively steady results and the Total Cash Position as noted above, we consider the Proposed Deposit Transactions Cap for FY2026 to be reasonable.

In light of the above and given the proposed annual caps for FY2027 and FY2028 is expected to be the same as that for FY2026, we consider the Company’s proposed annual caps the three years ending FY2028 to be prudent.

6. Capital risk assessment and control measures

As disclosed in the letter from the Board in the Circular, under the New Financial Services Master Agreement, COSCO SHIPPING Finance shall:

- (a) in order to ensure the security of the funds of the members of the Group, ensure that its funds management information system (i) operates safely; (ii) has passed the security test in respect of the interface with online banking of commercial banks; (iii) has attained the security standards for commercial banks in the PRC; and (iv) has adopted the certification authority security certificate mode;
- (b) operate strictly in compliance with the risk monitoring indicators guidelines for finance companies issued by the NFRA, and ensure that its main regulatory indicators such as liquidity ratio comply with the requirements of the NFRA and other relevant PRC laws and regulations;
- (c) within 3 business days after submission of regulatory report to the NFRA, submit a copy of the same to the Company’s senior management and executive Directors for review;

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- (d) (i) submit monthly financial statements to the Company's senior management and executive Directors for review on the fifth business day of the following month; and (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;
- (e) cooperate with the Company when it exercises its right to assign specialised organisations and personnel to proactively assess and supervise the risk of the funds deposited with COSCO SHIPPING Finance, and to provide the Company's auditors with records of transactions under the New Financial Services Master Agreement on reasonable advance notice so as to enable the Company's auditors to report on the matters contemplated under the New Financial Services Master Agreement as required by the Listing Rules;
- (f) obtain the Company's prior written consent if COSCO SHIPPING Finance makes any long-term equity investment;
- (g) notify the Company in writing within 2 business days upon occurrence of the following events of COSCO SHIPPING Finance and to take measures to prevent the occurrence or aggravation of loss:
 - (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) loans owing by its shareholders overdue by over 6 months;
 - (vi) serious payment crises experienced by COSCO SHIPPING Finance;
 - (vii) the loss of COSCO SHIPPING Finance in a given year exceeds 30% of its registered capital or exceeds 10% of its registered capital for 3 consecutive years;
 - (viii) non-compliance with any regulatory indicators requirement under the Measures for the Administration of Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》);
 - (ix) material administrative penalty and orders for rectification imposed by the NFRA or other regulatory authorities;
 - (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 members of the Group.

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In such event, COSCO SHIPPING Finance shall actively adjust its balance sheet, cooperate with the Company's risk management requirements in a timely manner, and effectively control and eliminate the risks, in order to ensure the security of the relevant assets of members of the Group, and 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 COSCO SHIPPING Finance) will increase the capital of COSCO SHIPPING Finance in accordance with its actual needs for resolving its payment difficulties; and

- (h) if any member of the Group cannot withdraw the deposits placed with COSCO SHIPPING Finance, COSCO SHIPPING Finance shall agree to the Group offsetting such deposit amounts against any amounts of outstanding loan owing by the Group to COSCO SHIPPING Finance.

Further, as informed by COSCO SHIPPING Holdings, on 28 August 2025, COSCO SHIPPING issued a guarantee letter to COSCO SHIPPING Holdings (the “**Guarantee to CSH**”) pursuant to which COSCO SHIPPING unconditionally and irrevocably undertakes that it will maintain its effective control of COSCO SHIPPING Finance and guarantee its proper and orderly operation, and it will be responsible for any loss suffered by the COSCO SHIPPING Holdings Group due to the failure in performance of obligations by COSCO SHIPPING Finance. In respect of the deposits provided by the COSCO SHIPPING Holdings Group under the financial services master agreement between COSCO SHIPPING Finance and COSCO SHIPPING Holdings, it will use its best endeavours and take all reasonable steps to guarantee that COSCO SHIPPING Finance will use such deposits primarily for the purpose of facilitating the fund transfer services and entrustment loan services for and among members of the COSCO SHIPPING Holdings Group. As the Company is a member of the COSCO SHIPPING Holdings Group, the Guarantee to CSH will in effect also (to the extent applicable) apply to the deposits placed by the Group with COSCO SHIPPING Finance pursuant to the Deposit Transactions.

As stated in the section headed “2. Information on COSCO SHIPPING and COSCO SHIPPING Finance” above, COSCO SHIPPING Finance is a non-bank financial institution approved by the former China Banking and Insurance Regulatory Commission and is currently regulated by the NFRA. COSCO SHIPPING Finance's business is established in accordance with the laws and regulations regulating finance companies of enterprise groups. As such, entering into Deposit Transactions should not expose the Group to additional material risks.

Considering that the abovementioned capital risk assessment and control measures can provide safeguard to the Group when placing deposits with COSCO SHIPPING Finance, whereby the Management can be informed and notified in a timely manner of any material risks that may adversely affect the recoverability of the deposits the Group placed with COSCO SHIPPING Finance, it is in the interests of the Company and the Shareholders as a whole and therefore is fair and reasonable.

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7. Internal control procedures

As disclosed in the letter from the Board in the Circular, 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 control systems to ensure that the relevant continuing connected transactions between the Group and its connected persons are conducted in accordance with the terms of the New Financial Services Master Agreement, the Company will implement the following internal control arrangements:

- (a) The Finance Division of the Company will monitor the market interest rates with independent third parties in respect of comparable types of financial services on a weekly basis.
- (b) For the purposes of observance of the general pricing policies set out in the sections headed "Pricing terms" in the letter from the Board in the Circular, where applicable, the Finance Division of the Company will monitor on a weekly basis the market conditions and the prevailing market prices (where appropriate) including the market interest rates offered or charged or fees charged by independent third parties for comparable types of deposit, loan and other financial services.
- (c) The Finance Division of the Company and each member of the Group has a designated person to record the entering into of continuing connected transactions.
- (d) The Finance Division of the Company will prepare a "Summary for Continuing Connected Transactions" each quarter and organise meetings regularly to review and assess whether the relevant continuing connected transactions are conducted in accordance with the terms and pricing policies of their respective continuing connected transaction master agreements. After the "Summary for Continuing Connected Transactions" is reviewed by the relevant divisions of the Company and the management, it will be submitted to the Audit Committee of the Company and the Board for further review.
- (e) The Audit and Supervision Division of the Company will monitor the risks related to continuing connected transactions by reviewing the minutes of important meetings as well as accounting records to identify if the Group has any undisclosed connected transactions.
- (f) The Audit and Supervision Division will also check the terms and implementation status of the Group's policies and requirements related to continuing connected transactions from time to time, including investigating the audited entities' processes for identification of connected persons and their procedures for dealing with continuing connected transactions. It is also responsible for monitoring the prices of the transactions with connected persons by reviewing samples of the relevant transactions to ensure such prices are in compliance with the pricing principle under the New Financial Services Master Agreement.
- (g) Each relevant member of the Group shall monitor its own utilisation of the portion of the annual transaction cap amount allocated to it by the Company (the "**Designated Amount**"). If the annual transaction amount of a relevant member of the Group reaches 80% of its Designated Amount, or is expected to exceed its Designated Amount within 3 months, such member shall inform the relevant personnel in the Finance Division and Legal & Compliance Division of the Company immediately and the Company shall determine the appropriate actions to be taken, such as (i) requiring such member not to enter into any further transactions which would cause the Designated Amount to be exceeded; (ii)

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increasing the Designated Amount allocated to such member by reducing the Designated Amount(s) allocated to other member(s); or (iii) if the accumulative annual transaction amount of the Group will exceed the relevant annual cap, the relevant member(s) of the Group shall provide sufficient reasons and cooperate with the Company to revise the annual cap and comply with the relevant requirements of the Listing Rules.

- (h) The independent non-executive Directors will provide an annual confirmation as to whether the continuing connected transactions under the New Financial Services Master Agreement have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are in accordance with the New Financial Services Master Agreement on terms that are fair and reasonable and in the interests of the Shareholders as a whole as required by Rule 14A.55 of the Listing Rules.
- (i) The auditor of the Company will be engaged to report on the continuing connected transactions of the Group disclosed in the annual report. The auditor of the Company will issue an annual letter to the Board in accordance with Rule 14A.56 of the Listing Rules containing their conclusions in relation to, among others, the Deposit Transactions and confirming whether anything has come to their attention that causes them to believe that the Deposit Transactions: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the New Financial Services Master Agreement; and (iv) have exceeded the Proposed Deposit Transactions Caps.

We consider the above measures to be reasonable for the Company to assess the then prevailing market terms and the ongoing regular monitoring of the Deposit Transactions under the New Financial Services Master Agreement. As discussed in the section headed “4. Terms of the New Financial Services Master Agreement” above, and as further noted from the 2024 Annual Report that the independent non-executive Directors and auditors had conducted annual review of the continuing connected transactions of the Company, which includes the deposit transactions under the Existing Financial Services Master Agreement and there were no findings under such annual review. In view of the above, we concur with the Management’s view that the Group’s internal control procedures in relation to the New Financial Services Master Agreement is effective and sufficient.

OPINION AND RECOMMENDATION

Having considered the principal factors and reasons set out above, we are of the view that the entering into of Deposit Transactions under the New Financial Services Master Agreement is in the interests of the Company and the Independent Shareholders as a whole, and that the terms of the Deposit Transactions contemplated under the New Financial Services Master Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group, and their terms and the Proposed Deposit Transactions Caps are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Transactions.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Lyan Tam
Director

Ms. Lyan Tam is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Somerley to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has over 20 years of experience in corporate finance industry.

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 OF DIRECTORS

- (a) As at the Latest Practicable Date, the interests of the Directors and the chief executive of the Company in the shares and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which 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 to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules were as follows:

(i) Long position in the Shares of the Company

Name of Director	Capacity	Nature of interests	Number of Shares held as at the Latest Practicable Date	Percentage of total number of issued Shares as at the Latest Practicable Date
Mr. ZHU Tao	Beneficial owner	Personal	8,000	0.0002%

(ii) Long positions in underlying shares of equity derivatives of the Company

As at the Latest Practicable Date, there are no relevant long positions held in underlying shares of equity derivatives of the Company.

(iii) Long positions in the shares of associated corporations

Name of associated corporation	Name of Director	Capacity	Nature of interest	Number of shares held as at the Latest Practicable Date	Percentage of total number of issued shares of the relevant class of the relevant associated corporation as at the Latest Practicable Date
COSCO SHIPPING Development Co., Ltd.	Mr. ZHU Tao	Beneficial owner	Personal	65,000 H shares	0.002%
COSCO SHIPPING Energy Transportation Co., Ltd.	Mr. Adrian David LI Man Kiu	Beneficial owner	Personal	508,000 H shares	0.04%
Hainan Strait Shipping Co., Ltd	Mr. ZHU Tao	Beneficial owner	Personal	12,900 A shares	0.0006%
COSCO SHIPPING Holdings	Ms. WU Yu	Beneficial owner	Personal	390,300 A shares	0.003%

(iv) Long positions in underlying shares of equity derivatives of associated corporations

Name of associated corporation	Name of Director	Capacity	Nature of interest	Exercise Price (RMB)	Number of share options as at the Latest Practicable Date	Percentage of total number of issued shares of the relevant class of the associated corporation as at the Latest Practicable Date	Notes
COSCO SHIPPING Holdings	Mr. ZHU Tao	Beneficial owner	Personal	1.00	222,179	0.002%	(1), (2), (3)

Notes:

- (1) Such share options were granted on 29 May 2020 pursuant to the A-shares share option incentive scheme of COSCO SHIPPING Holdings adopted on 30 May 2019 and amended on 18 May 2020 by the shareholders of COSCO SHIPPING Holdings and can be exercised during the period from 30 May 2022 to 28 May 2027.
 - (2) Such share options have been or will be vested after 24 months from the date of grant (the “**Vesting Period**”). Subject to the fulfilment of the relevant vesting conditions, such share options will be vested in three batches after the Vesting Period, i.e. (a) 33% of the share options can be exercised during the first trading day after 24 months from the date of grant to the last trading day within 36 months from the date of grant; (b) 33% of the share options can be exercised during the first trading day after 36 months from the date of grant to the last trading day within 48 months from the date of grant; and (c) 34% of the share options can be exercised during the first trading day after 48 months from the date of grant to the last trading day within 84 months from the date of grant.
 - (3) On 12 December 2022, the board of directors of COSCO SHIPPING Holdings resolved to adjust its reserved A share options’ exercise price from RMB1.82 to RMB1.00 per A share following the 2022 interim dividend distribution plan of COSCO SHIPPING Holdings. The registration with China Securities Depository and Clearing Corporation Limited for such adjustment was completed.
- (b) As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors, no Director was a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

COSCO SHIPPING

Name of Director	Position
Mr. MA Xianghui	General manager of the Finance and Accounting Division
Mr. CHEN Shuai	General manager of Operation Management Division

COSCO SHIPPING Holdings

Name of Director	Position
Mr. ZHU Tao	Executive director and deputy general manager
Ms. WU Yu	Deputy general manager

- (c) Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, (i) none of the Directors or chief executive of the Company had any interest or short positions in any shares or underlying shares or 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 or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange; and (ii) none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3 DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, Mr. ZHU Tao, Ms. WU Yu, Mr. MA Xianghui and Mr. CHEN Shuai held directorships or senior management positions in the associates of COSCO SHIPPING and/or other companies which have interests in terminals operation and management business (the “**Terminal Interests**”).

The Board is of the view that the Group is capable of carrying on its businesses independently of the Terminal Interests. When making decisions on the terminals business of the Group, the relevant Directors, in the performance of their duties as Directors of the Company, have acted and will continue to act in the best interests of the Group. Other than as disclosed above, none of the Directors and their respective associates has interests in the businesses which competes or was likely to compete, whether directly or indirectly, with the businesses of the Group.

4 DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5 DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting and which is significant in relation to the business of the Group.

6 DIRECTORS' INTERESTS IN SERVICE CONTRACTS

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

7 EXPERT AND CONSENT

- (a) The following are the qualifications of the expert who has been named in this circular and whose opinion or advice is contained in this circular:

Name	Qualification
Somerley	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

- (b) As at the Latest Practicable Date, Somerley was not beneficially interested in the share capital of any member of the Group, and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

- (c) As at the Latest Practicable Date, Somerley did not have any direct or indirect interest in any assets which had been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (d) Somerley has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 18 September 2025 (as set out on pages 21 to 35 of this circular) and references to its name in the form and context in which it appears.

8 MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, the Directors were 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 Company were made up.

9 DOCUMENT ON DISPLAY

A copy of the New Financial Services Master Agreement will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://ports.coscoshipping.com>) from the date of this circular up to and including the date of the SGM.

10 GENERAL

- (a) The General Counsel, Board Secretary of the Company is Ms. HUNG Man, Michelle, a practising solicitor in Hong Kong. She is also qualified in England and Wales.
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (c) The branch share registrar and transfer office in Hong Kong of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

NOTICE OF THE SGM



COSCO SHIPPING Ports Limited

中遠海運港口有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1199)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of COSCO SHIPPING Ports Limited (the “**Company**”) will be held at 47th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong on Thursday, 20 November 2025 at 2:30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications the following as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1 “THAT:

- (a) the entering into of the agreement dated 28 August 2025 (the “**New Financial Services Master Agreement**”) between the Company and COSCO SHIPPING Finance Co., Ltd.* (中遠海運集團財務有限責任公司)(“**COSCO SHIPPING Finance**”) in relation to, inter alia, the acceptance of deposits by COSCO SHIPPING Finance from the Company and its subsidiaries (the “**Group**”) (the “**Deposit Transactions**”) for a term of three years from 1 January 2026 to 31 December 2028 as described in the circular of the Company dated 18 September 2025 (the “**Circular**”) (a copy of the New Financial Services Master Agreement and a copy of the Circular have been produced to the meeting marked “A” and “B” respectively and initialled by the chairman of the meeting for identification purpose) and the Deposit Transactions be and are hereby approved, ratified and confirmed;
- (b) the proposed daily maximum aggregate amount of deposits to be placed by the Group with COSCO SHIPPING Finance (including the amount of any interest accrued thereon) under the New Financial Services Master Agreement for each of the three years ending 31 December 2028 (the “**Proposed Deposit Transactions Caps**”) as set out in the Circular be and are hereby approved; and
- (c) the director(s) of the Company be and are hereby authorized for and on behalf of the Company to, amongst other matters, sign, execute and deliver or to authorize the signing, execution and delivery of all such documents and to do all such things as they may in their absolute discretion consider necessary, expedient or desirable to implement and/or to give effect to or otherwise in connection with the New Financial Services Master Agreement, the Deposit Transactions contemplated thereunder and the Proposed Deposit Transactions Caps and to be in the interests of the Company.”

By Order of the Board
COSCO SHIPPING Ports Limited
HUNG Man, Michelle
General Counsel, Board Secretary

Hong Kong, 18 September 2025

NOTICE OF THE SGM

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business

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

Notes:

1. Shareholders of the Company who are entitled to attend, speak and vote at the meeting are those whose names appear as shareholders on the register of members of the Company as at the close of business on Friday, 14 November 2025. In order to be entitled to attend, speak and vote at the meeting, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 14 November 2025.
2. Any member of the Company entitled to attend, speak and vote at the meeting is entitled to appoint one or more (if the relevant member holds more than one share) proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company but must be present in person to represent the member.
3. To be valid, the form of proxy together with power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting or any adjourned meeting thereof if the shareholder of the Company so wish, and in such event, the form of proxy will be deemed to be revoked.
5. Where there are joint holders of any shares in the Company, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning, or extreme weather condition is in effect any time after 12:00 noon on the date of the meeting, the meeting will be adjourned. The Company will post an announcement on the website of the Company at <https://ports.coscoshipping.com> and on the "Latest Listed Company Information" page of the Stock Exchange's website at <https://www.hkexnews.hk> to notify shareholders of the Company of the date, time and place of the adjourned meeting.
7. For the purposes of this notice, any English name with an asterisk (*) is an unofficial English transliteration or translation and is for identification purposes only.