
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 your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Watts International Maritime Company Limited, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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华滋国际海洋股份有限公司

Watts International Maritime Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2258)

**(1) CONTINUING CONNECTED TRANSACTION
2026–2028 MASTER CONSTRUCTION SERVICES AGREEMENT;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Independent Financial Adviser

to the Independent Board Committee and the Independent Shareholders



Gram Capital Limited
嘉林資本有限公司

A letter from the Independent Board Committee to the Independent Shareholders is set out on pages 15 to 16 of this circular. A letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 17 to 30 of this circular.

A notice convening the EGM of the Company to be held at Room 203, Building B, Mobile Internet Innovation Park, 2816 Yixian Road, Baoshan District, Shanghai, the PRC on Tuesday, 23 December 2025 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to 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, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the forthcoming EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish and in such case, the form of proxy shall be deemed to be revoked.

9 December 2025

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	15
LETTER FROM GRAM CAPITAL LIMITED	17
APPENDIX I — GENERAL INFORMATION	31
NOTICE OF EXTRAORDINARY GENERAL MEETING	EGM-1

DEFINITIONS

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

“2023–2025 Master Construction Services Agreement”	the master engineering construction services agreement entered into on 7 December 2022 between the Company as service provider and Watts Gallop as service recipient, pursuant to which the Group will provide engineering construction services to Watts Gallop Group
“2026–2028 Master Construction Services Agreement”	the master engineering construction services agreement entered into on 4 December 2025 between the Company as service provider and Watts Gallop as service recipient, pursuant to which the Group will provide engineering construction services to Watts Gallop Group
“Board”	the board of Directors of the Company
“Company”	Watts International Maritime Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected persons”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting (or any adjournment thereof) of the Company to be convened on Tuesday, 23 December 2025 to consider and approve, among other things, the 2026–2028 Master Construction Services Agreement and the transactions contemplated thereunder and the proposed annual caps
“Group”	the Company and its subsidiaries from time to time

DEFINITIONS

“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the terms of the 2026–2028 Master Construction Services Agreement and the transactions contemplated thereunder
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under 2026–2028 Master Construction Services Agreement and the proposed annual caps
“Independent Shareholders”	Shareholders who do not have a material interest in the 2026–2028 Master Construction Services Agreement and the transactions contemplated thereunder
“Independent Third Parties”	an individual(s) or a company(ies) who or which/are not connected person(s) of the Company within the meaning of the Listing Rules
“Latest Practicable Date”	5 December 2025, being the latest practicable date to ascertain certain information contained herein before the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular only excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Shares”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Watts Gallop”	Shanghai Watts Gallop Holding Group Co., Ltd.* (上海華滋奔騰控股集團有限公司), a company established in the PRC with limited liability and a connected person of the Company
“Watts Gallop Group”	Watts Gallop and its subsidiaries and/or associate from time to time

* *For identification purpose only*

LETTER FROM THE BOARD



华滋国际海洋股份有限公司
Watts International Maritime Company Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2258)

Executive Directors

Mr. Wang Xiuchun (*Chairman*)
Ms. Wan Yun (*Chief Executive Officer*)
Mr. Wang Lijiang
Mr. Wang Likai
Ms. Wang Lifang

Registered address in the Cayman Islands

4th Floor, Harbour Place
103 South Church Street
PO Box 10240
Grand Cayman, KY1-1002
Cayman Islands

Independent Non-executive Directors

Mr. Wang Hongwei
Mr. How Sze Ming
Mr. Sun Dajian

Principal place of business in Hong Kong

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

*Principal place of business and headquarters
in the PRC*

5/F, Tower 17
2816 Yixian Road
Baoshan District, Shanghai, the PRC

9 December 2025

To the Shareholders

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTION
2026-2028 MASTER CONSTRUCTION SERVICES AGREEMENT;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Reference is made to the announcement of the Company dated 4 December 2025 in relation to the 2026–2028 Master Construction Services Agreement.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the 2026–2028 Master Construction Services Agreement, the transactions contemplated thereunder and the proposed annual caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the 2026–2028 Master Construction Services Agreement, the transactions contemplated thereunder and the proposed annual caps; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in relation to the 2026–2028 Master Construction Services Agreement, the transactions contemplated thereunder and the proposed annual caps; and (iv) a notice for convening the EGM.

2026–2028 MASTER CONSTRUCTION SERVICES AGREEMENT

Reference is made to the announcement of the Company dated 7 December 2022 and the circular of the Company dated 10 January 2023 in relation to, among others, the 2023–2025 Master Construction Services Agreement. As the 2023–2025 Master Construction Services Agreement will expire on 31 December 2025, on 4 December 2025 (after trading hours), the Company as service provider and Watts Gallop as service recipient entered into the 2026–2028 Master Construction Services Agreement, pursuant to which the Group will provide engineering construction services to Watts Gallop Group from 1 January 2026 to 31 December 2028, subject to the terms and conditions provided under the 2026–2028 Master Construction Services Agreement.

The principal terms of the 2026–2028 Master Construction Services Agreement are summarized as follow:

Date

4 December 2025 (after trading hours)

Parties

- (1) the Company
- (2) Watts Gallop

Subject matter

Pursuant to the 2026–2028 Master Construction Services Agreement, the Group will, if engaged by Watts Gallop Group, provide engineering construction services to Watts Gallop Group. The engineering construction services shall include but not limited to (i) marine engineering

LETTER FROM THE BOARD

construction services, (ii) municipal public engineering construction services and (iii) other engineering construction services (such as soil remediation engineering services) that may be provided by the Group.

Term

The 2026–2028 Master Construction Services Agreement will be effective for three years from 1 January 2026 until 31 December 2028.

Condition precedent

The 2026–2028 Master Construction Services Agreement and the transactions contemplated thereunder and the proposed annual caps are conditional upon the approval by the Independent Shareholders in accordance with the Listing Rules.

Pricing policy

When determining the fees to be charged by the Group (including cost and gross profit) for the engineering construction services to be provided by the Group under the 2026–2028 Master Construction Services Agreement, the Company will mainly consider the expected gross profit margin. The expected gross profit margin shall be no less favourable than at least two recent similar comparable projects (in terms of nature, size, duration, potential risks, cost of raw material and complexity etc.) that the engineering construction services of which were provided by the Group to Independent Third Parties.

For more details in relation to the procedures that the Group will follow to determine the fees to be charged by the Group, please refer to the section headed “INTERNAL CONTROL MEASURES REGARDING CONTINUING CONNECTED TRANSACTIONS” in this circular.

For the existing construction projects in progress of the Group engaged by Watts Gallop Group, the Group is required to submit work-in-progress applications to the owners of the projects by phase according to the construction progress. Once the project owners agree with the work-in-progress applications after their inspection and certification, they shall arrange payment in accordance with the payment amount in the work-in-progress applications within a specified period of time according to the terms specified in the contracts.

REASONS FOR AND BENEFITS OF THE 2026–2028 MASTER CONSTRUCTION SERVICES AGREEMENT

The transactions contemplated under the 2026–2028 Master Construction Services Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group. The 2026–2028 Master Construction Services Agreement is intended to streamline the continuing connected transactions between the Group and Watts Gallop Group.

LETTER FROM THE BOARD

With years of stable and long-term business relationship between the Group and Watts Gallop Group and the Group's involvement in providing services to Watts Gallop Group since 2010, the Group is familiar with the business needs, quality standards and operation requirements of Watts Gallop Group while Watts Gallop Group is familiar with the Group's construction capacity and qualification. Based on the pricing policy of the 2026–2028 Master Construction Services Agreement, the Group is able to render revenue with terms not less favorable than Independent Third Parties. In addition, the long-term relationship between the Group and Watts Gallop Group also creates synergies such as more effective communication and higher work efficiency, while also reduces the administrative procedure and cost of the Group during the bidding process and less credit risk when collecting receivables.

Having considered the above reasons and benefits, the Board (other than Mr. Wang Xiuchun, Mr. Wang Shizhong (the then Director), Mr. Wang Lijiang and Mr. Wang Likai who have abstained from voting are on the relevant Board resolutions but including the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee in this circular) considers that the terms of the transactions contemplated under the 2026–2028 Master Construction Services Agreement and the proposed annual caps are fair and reasonable and on normal commercial terms or better, the 2026–2028 Master Construction Services Agreement was entered in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

In view of the reasons and benefits discussed above, the Board is not aware of any disadvantages to the Company on the transactions contemplated under the 2026–2028 Master Construction Services Agreement.

Mr. Wang Xiuchun, Mr. Wang Lijiang and Mr. Wang Likai, being Directors of the Company and Mr. Wang Shizhong, the then Director of the Company, have abstained from voting on the Board resolutions approving the 2026–2028 Master Construction Services Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

PROPOSED ANNUAL CAPS AND ITS BASIS

The historical annual caps and historical transaction amount in respect of the engineering construction services provided by the Group to Watts Gallop Group for the two years ended 31 December 2024 and ten months ended 31 October 2025 are set out below:

Historical Annual Caps under 2023–2025 Master Construction Services Agreement

	Year ended 31 December 2023	Year ended 31 December 2024	Year ending 31 December 2025
Historical annual caps	RMB362 million	RMB178 million	RMB118 million

Historical Transaction Amount under 2023–2025 Master Construction Services Agreement

	Year ended 31 December 2023	Year ended 31 December 2024	Ten months ended 31 October 2025
Historical transaction amount	RMB184.3 million	RMB77.8 million	RMB103.1 million
Utilization rate	50.91%	43.71%	87.37%

The utilization rate of annual caps under the 2023–2025 Master Construction Services Agreement for each of the two years ended 31 December 2024 was low. This is primarily attributable to the combined impact of (i) the slowdown in the PRC's macroeconomic growth and the weakening of the real estate market; (ii) project suspensions resulting from requirements from government authorities related to the construction environment; (iii) targeted adjustments and optimizations to construction plans arising from the projects' special geographical locations, which led to the change in construction schedule; and (iv) slowing down of construction progress requested by the project owners due to the rising material costs coupled with continuous decrease in selling prices at the real estate retail market, all of which led to the delay of work schedule for the Group's ongoing construction on the projects during the years of 2023 and 2024. The utilization rate of annual cap for the year ending 31 December 2025 was relatively high as certain construction work from previous years was delayed to the year of 2025.

LETTER FROM THE BOARD

Proposed Annual Caps under 2026–2028 Master Construction Services Agreement

The proposed annual caps for the transactions contemplated under the 2026–2028 Master Construction Services Agreement for each of the three years ending 31 December 2028 are set out as follows:

	Year ending 31 December 2026	Year ending 31 December 2027	Year ending 31 December 2028
Proposed Annual Caps	RMB330 million	RMB156 million	RMB150 million

The proposed annual caps under the 2026–2028 Master Construction Services Agreement were determined after taking into consideration the following factors:

- (i) the historical transaction amounts under the 2023–2025 Master Construction Services Agreement; and
- (ii) the expected demand of the Watts Gallop Group for the engineering construction services of four existing projects which were expected scheduled or rescheduled to 2026 and 2027 and one potential new project which is expected to start in 2026.

The Company expects that according to the project schedule, (i) for the four existing projects, the amount of approximately RMB127.3 million is expected to be completed for the year ending 31 December 2026 and the amount of approximately RMB5.5 million is expected to be completed for the year ending 31 December 2027; and (ii) for the one potential new project, if materialized, the amount of approximately RMB200.0 million, RMB150.0 million and RMB150.0 million is expected to be completed for the years ending 31 December 2026, 31 December 2027, and 31 December 2028 respectively.

INTERNAL CONTROL MEASURES REGARDING CONTINUING CONNECTED TRANSACTIONS

After identifying the potential projects from Watts Gallop Group, the marketing department will conduct the initial assessment on the prequalification requirements and assess the Group's estimated expected profit margin based on scope of work, nature, size, duration, cost of raw material and subcontractors, complexity etc.

The marketing department and the finance department of the Group are jointly responsible for conducting reviews on compliance with relevant laws, regulations, the Group's internal policies and the Listing Rules in respect of the continuing connected transactions. Before submitting

LETTER FROM THE BOARD

tenders or quotations for projects of Watts Gallop Group, the marketing department will submit a report with the terms of the tender including the basis of the derivation of the expected profit margin and at least two comparable transactions with Independent Third Parties with similar terms to the finance department for approval, which shall be considered by the finance department based on, among others, the expected gross profit margin being not less favourable than at least two recent similar types of project (in terms of nature, size, duration, potential risks, cost of raw material and complexity etc.) that the engineering construction services of which were provided by the Group to Independent Third Parties and whether the proposed annual caps under the 2026–2028 Master Construction Services Agreement will be exceeded. Furthermore, the finance department will monitor the actual transaction amount to ensure it will not exceed the proposed annual caps on a monthly basis. The Board expects that the gross profit margins for the marine engineering construction services and municipal public engineering construction services will be in the range of 2% to 15% and 2% to 12% respectively, which was estimated based on past financial information of the Group for the two years ended 31 December 2024.

The Company estimates projects' gross profit margins based on available information, the Company will seek at least two quotations from various suppliers and/or subcontractors to assist the Company in estimating the project costs and will also consider factors such as, the geographical location of the projects, the scope and quantity of work and/or services to be provided, the quantity and costs of raw materials and subcontracting services, the vessels and construction equipment to be used, and labour required to complete the projects. Furthermore, the weather condition will also be considered since the majority of port and waterway engineering work and services are performed above and/or under the water, which are prone to adverse weather and seasonal conditions and may directly or indirectly affect the gross profit margins.

In addition, independent non-executive Directors will conduct annual review in relation to the transactions contemplated under the 2026–2028 Master Construction Services Agreement and provide annual confirmations in accordance with the Listing Rules that the transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole in the Company's annual report.

INFORMATION OF THE RELEVANT PARTIES

The Company

The Company is a leading port, waterway, marine engineering and municipal public engineering services provider in the PRC and is committed to the services of (i) port infrastructure, (ii) waterway engineering, (iii) construction of public infrastructure within cities, (iv) urban greening, and (v) construction of buildings.

LETTER FROM THE BOARD

Watts Gallop

Watts Gallop is an investment holding company established under the laws of the PRC on 13 November 2003, and as at the Latest Practicable Date, its subsidiaries are principally engaged in the real estate development, investment in property, property management, property leasing, production and manufacturing of transport and storage equipment for new energy, and trade service in the PRC.

As at the Latest Practicable Date, Watts Gallop is ultimately owned as to 56.00% by Mr. Wang Shizhong, 6.66% by Mr. Ye Kangshun, 4.00% by Mr. Wang Xiuchun, 4.00% by Mr. Li Hongwei, 4.00% by Mr. Huang Guanming, 4.00% by Mr. Li Weifei, 2.70% by Mr. Tang Jinxin, 2.06% by Mr. Pan Xinfu, 2.00% by Ms. Zhu Weier, 2.00% by Mr. Jiang Chunwei, 2.00% by Mr. Wang Tao, 1.50% by Ms. Zhou Meng, 1.36% by Mr. Shen Jianli, 1.36% by Mr. Wang Shiqin, 1.36% by Mr. Jin Xiao, 1.00% by Mr. Lu Yang, 1.00% by Shanghai Watts Gallop Holding Industrial Co., Ltd., 1.00% by Mr. Wang Likai, 0.50% by Ms. Wan Yun, 0.50% by Mr. Xu Mingsong, 0.50% by Ms. Zhu Qiulian, and 0.50% by Mr. Chen Yan.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Mr. Wang Shizhong, a former non-executive Director and a controlling shareholder of the Company, owns 56% equity interest in Watts Gallop. Mr. Wang Shizhong and the parties acting in concert with him (including Mr. Ye Kangshun, Mr. Wang Xiuchun, Ms. Zhou Meng, Mr. Wang Shiqin and Mr. Wang Likai) together own an aggregate of 70.52% equity interest in Watts Gallop. As such, Watts Gallop is a connected person of the Company. The 2026–2028 Master Construction Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) (other than the profits ratio) in respect of the highest annual cap under the 2026–2028 Master Construction Services Agreement exceeds 5%, the 2026–2028 Master Construction Services Agreement will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee to advise the Independent Shareholders in respect of the 2026–2028 Master Construction Services Agreement and the transactions contemplated thereunder. The Company has also appointed Gram Capital as the

LETTER FROM THE BOARD

Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the 2026–2028 Master Construction Services Agreement and the proposed annual caps.

The EGM will be held by the Company at Room 203, Building B, Mobile Internet Innovation Park, 2816 Yixian Road, Baoshan District, Shanghai, the PRC on Tuesday, 23 December 2025 at 10:00 a.m. to consider and, if thought fit, approve the transactions contemplated under the 2026–2028 Master Construction Services Agreement and the proposed annual caps. A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular.

The resolution to be proposed at the EGM will be voted on by poll. A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are advised to read the notice and to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible, but in any event not less than 48 hours before the time fixed for the EGM. The completion and return of a form of proxy will not preclude you from attending and voting at the EGM in person and any adjourned meeting thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

CONNECTED PERSONS WHO ARE REQUIRED TO ABSTAIN FROM VOTING ON THE RESOLUTIONS

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the 2026–2028 Master Construction Services Agreement and the transactions contemplated thereunder is required to abstain from voting on the relevant resolution(s) at the EGM. Since HuaZi Holding Limited, Ye Wang Zhou Holding Limited, HZ&BT Development Holding Limited and Mr. Wang Lijiang which are interested in an aggregate of 579,843,556 Shares, representing approximately 70.25% of the issued share capital of the Company as at the Latest Practicable Date, have material interest in the 2026–2028 Master Construction Services Agreement and the transactions contemplated thereunder, each of HuaZi Holding Limited, Ye Wang Zhou Holding Limited, HZ&BT Development Holding Limited and Mr. Wang Lijiang and their associates must abstain from voting on the resolution(s) approving the 2026–2028 Master Construction Services Agreement and the transactions contemplated thereunder at the EGM ^(Notes 1, 2, 3 and 4). To the best knowledge, information and belief of the Directors, save as disclosed in this circular, none of the other Shareholders must abstain from voting on the relevant resolution(s).

LETTER FROM THE BOARD

Notes:

1. As at the Latest Practicable Date, (i) HuaZi Holding Limited, a company holding 315,467,967 Shares, is wholly owned by Mr. Wang Shizhong; (ii) HZ&BT Development Holding Limited, a company holding 143,542,720 Shares, is owned as to 15.71%, 15.70%, 15.70%, 10.60%, 8.08%, 7.85%, 5.34%, 5.34%, 3.92%, 3.92%, 1.96%, 1.96%, 1.96% and 1.96% by Mr. Li Hongwei, Mr. Li Weifei, Mr. Huang Guanming, Mr. Tang Jinxin, Mr. Pan Xinfu, Ms. Zhu Weier, Mr. Shen Jianli, Mr. Jin Yuhuan, Mr. Yan Xinsheng, Mr. Lu Yang, Ms. Wan Yun, Ms. Zhu Qiulian, Mr. Xu Mingsong and Mr. Chen Yan, respectively; and (iii) Ye Wang Zhou Holding Limited, a company holding 104,324,869 Shares, is owned as to 46.76%, 32.40%, 8.10%, 7.34% and 5.40% by Mr. Ye Kangshun, Mr. Wang Xiuchun, Ms. Zhou Meng, Mr. Wang Shiqin and Mr. Wang Likai, respectively.
2. Pursuant to the acting-in-concert confirmation dated 22 August 2004 entered into among Mr. Wang Shizhong, Mr. Ye Kangshun, Mr. Wang Xiuchun, Ms. Zhou Meng and Mr. Wang Shiqin (as supplemented by another acting-in-concert confirmation dated 25 May 2018 entered into among the same parties and Mr. Wang Likai), they have acknowledged and confirmed, among other things, that they are parties acting in concert (having the meaning as ascribed thereto in the Takeovers Code). As such, each of them is deemed to be interested in each other's interest in the Shares.
3. Mr. Wang Shizhong is the brother of Mr. Wang Shiqin, and a distant relative of Mr. Wang Xiuchun (王秀春). Mr. Wang Lijiang is the nephew of Mr. Wang Shizhong and the son of Mr. Wang Shiqin. Mr. Wang Likai is the son of Mr. Wang Shizhong.
4. Mr. Wang Xiuchun, Ms. Wan Yun, Mr. Wang Lijiang and Mr. Wang Likai are Directors of the Company.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholders; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it/he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its/his Shares to a third party, either generally or on a case-by-case basis.

RECOMMENDATION

The Board (including the independent non-executive Directors whose views have been set out in this circular after taking into consideration the advice of Gram Capital) is of the view that the terms of the transactions contemplated under the 2026–2028 Master Construction Services Agreement and the proposed annual caps are fair and reasonable and on normal commercial terms or better, the 2026–2028 Master Construction Services Agreement was entered in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolution for approving the 2026–2028 Master Construction Services Agreement, the transactions contemplated thereunder and the proposed annual caps to be proposed at the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee, the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders and the additional information as set out in the appendices to this circular.

Yours faithfully,

By order of the Board of

Watts International Maritime Company Limited

Wang Xiuchun

Chairman and Executive Director



华滋国际海洋股份有限公司
Watts International Maritime Company Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2258)

9 December 2025

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION
2026–2028 MASTER CONSTRUCTION SERVICES AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

We refer to the circular dated 9 December 2025 (the “**Circular**”) issued by Watts International Maritime Company Limited (the “**Company**”) to the Shareholders, of which this letter forms part. Terms used herein shall have the same meanings as defined in the Circular unless specified otherwise.

We have been appointed as the Independent Board Committee to consider and to advise the Independent Shareholders in respect of the transactions contemplated under the 2026–2028 Master Construction Services Agreement and the proposed annual caps. Gram Capital has been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in this regard. Details of the independent advice of Gram Capital, together with the principal factors and reasons Gram Capital has taken into consideration, are set out on pages 17 to 30 of the Circular.

We wish to draw your attention to the Letter from the Board and the Letter from Gram Capital to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of the transactions contemplated under the 2026–2028 Master Construction Services Agreement and the proposed annual caps. Your attention is also drawn to the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the advice of Gram Capital and the relevant information contained in the Letter from the Board, we consider that the terms of the transactions contemplated under the 2026–2028 Master Construction Services Agreement and the proposed annual caps are fair and reasonable and on normal commercial terms or better, the 2026–2028 Master Construction Services Agreement was entered in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution for approving the 2026–2028 Master Construction Services Agreement, the transactions contemplated thereunder and the proposed annual caps.

Yours faithfully,

for and on behalf

The Independent Board Committee of

Watts International Maritime Company Limited

Mr. Sun Dajian

Mr. How Sze Ming

Mr. Wang Hongwei

Independent Non-executive Directors

LETTER FROM GRAM CAPITAL LIMITED

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

9 December 2025

*To: The independent board committee and the independent shareholders of
Watts International Maritime Company Limited*

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTION 2026–2028 MASTER CONSTRUCTION SERVICES AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under 2026-2028 Master Construction Services Agreement and the proposed annual caps (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 9 December 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 4 December 2025 (after trading hours), the Company as service provider and Watts Gallop as service recipient entered into the 2026–2028 Master Construction Services Agreement, pursuant to which the Group will provide engineering construction services to Watts Gallop Group from 1 January 2026 to 31 December 2028, subject to the terms and conditions provided under the 2026–2028 Master Construction Services Agreement.

With reference to the Board Letter, the Transactions constitute continuing connected transactions of the Company and are subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM GRAM CAPITAL LIMITED

The Independent Board Committee Mr. Wang Hongwei, Mr. How Sze Ming and Mr. Sun Dajian (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of (i) any relationships or interests between Gram Capital and the Company; or (ii) any services provided by Gram Capital to the Company, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

Apart from the normal professional fee and expenses payable to us in connection with this engagement as the Independent Financial Adviser, there is no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company, the Directors, chief executive of the Company or substantial shareholders of the Company or any of their respective associates.

Having considered the above and that none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which

LETTER FROM GRAM CAPITAL LIMITED

have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps (including review of 2023-2025 Master Construction Services Agreement together with the individual agreements as conducted hereunder, 2026-2028 Master Construction Services Agreement, the Company's annual report for the year ended 31 December 2024 and the Company's interim report for the six months ended 30 June 2025) on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The 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 as contained in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Watts Gallop and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

LETTER FROM GRAM CAPITAL LIMITED

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

1. BACKGROUND

Information on the Group

With reference to the Board Letter, the Company is a leading port, waterway, marine engineering and municipal public engineering services provider in the PRC and is committed to the services of (i) port infrastructure, (ii) waterway engineering, (iii) construction of public infrastructure within cities, (iv) urban greening, and (v) construction of buildings.

Set out below are the audited consolidated financial information of the Group for the two years ended 31 December 2024 as extracted from the Company's annual report for the year ended 31 December 2024 (the **"2024 Annual Report"**) and the unaudited consolidated financial information of the Group for the six months ended 30 June 2025 (with comparative figures for the corresponding period in 2024) as extracted from the Company's interim report for the six months ended 30 June 2025 (the **"2025 Interim Report"**):

	For the six months ended 30 June 2025 ("1H2025") RMB'000 (unaudited)	For the six months ended 30 June 2024 ("1H2024") RMB'000 (unaudited)	Changes from 1H2024 to 1H2025 %	For the year ended 31 December 2024 ("FY2024") RMB'000 (audited)	For the year ended 31 December 2023 ("FY2023") RMB'000 (audited)	Changes from FY2023 to FY2024 %
Revenue	749,658	715,208	4.82	1,534,193	2,143,680	(28.43)
— Marine construction	244,471	300,050	(18.52)	497,195	724,585	(31.38)
— Municipal public construction	505,187	415,158	21.69	1,036,998	1,419,095	(26.93)
Gross profit	49,910	44,334	12.58	98,540	173,567	(43.23)
Profit/(loss) for the period/year	15,702	(123,868)	N/A	(69,249)	30,750	N/A

LETTER FROM GRAM CAPITAL LIMITED

FY2023 vs FY2024

As illustrated in the above table, the Group's revenue decreased from approximately RMB2,143.68 million for FY2023 to approximately RMB1,534.19 million for FY2024, representing a decrease of approximately 28.43%. With reference to the 2024 Annual Report, such decrease was mainly due to slowdown of municipal public construction industry.

The Group's gross profit also decreased by approximately 43.23% for FY2024 as compared to that for FY2023. As advised by the Directors, such decrease was mainly due to the decrease in the Group's revenue and increase in the raw material costs for FY2024. The Group recorded loss for FY2024 of approximately RMB69.25 million while the Group recorded profit for FY2023 of approximately RMB30.75 million. With reference to the 2024 Annual Report, such financial deterioration was mainly due to (i) the aforementioned decreases in the Group's revenue and gross profit; and (ii) the increase of approximately RMB28.05 million in the Group's net impairment losses on financial assets and contract assets, which was mainly caused by the increase in general provision due to the challenging economic environment following the longer ageing and increase in expected loss rate.

1H2024 vs 1H2025

As illustrated in the above table, the Group's revenue increased from approximately RMB715.21 million for 1H2024 to approximately RMB749.66 million for 1H2025, representing an increase of approximately 4.82%. With reference to the 2025 Interim Report, such increase was mainly attributable to the fact that the Group had strengthened project management resulting in faster project progress.

The Group's gross profit also increased by approximately 12.58% for 1H2025 as compared to that for 1H2024. As advised by the Directors, such increase was mainly due to the increase in the Group's revenue and decrease in the subcontracting costs for 1H2025. The Group recorded profit for 1H2025 of approximately RMB15.70 million while the Group recorded loss for 1H2024 of approximately RMB123.87 million. With reference to the 2025 Interim Report and as advised by the Directors, such financial improvement was mainly due to (i) the aforementioned increases in the Group's revenue and gross profit; and (ii) the Group recorded net impairment losses on financial assets and contract assets of approximately RMB93.04 million for 1H2024 while the Group recorded net impairment gains on financial assets and contract assets of approximately RMB10.09 million for 1H2025, which primarily resulted from the Group's enhanced credit control procedures and intensified recovery efforts on trade receivables, coupled with the successful recovery on certain trade receivables previously written off.

LETTER FROM GRAM CAPITAL LIMITED

Information on Watts Gallop

With reference to the Board Letter, Watts Gallop is an investment holding company established under the laws of the PRC on 13 November 2003, and as at the Latest Practicable Date, its subsidiaries are principally engaged in the real estate development, investment in property, property management, property leasing, production and manufacturing of transport and storage equipment for new energy, and trade service in the PRC.

As at the Latest Practicable Date, Mr. Wang Shizhong, a former non-executive Director and a controlling shareholder of the Company, owns 56% equity interest in Watts Gallop. Mr. Wang Shizhong and the parties acting in concert with him together own an aggregate of 70.52% equity interest in Watts Gallop. As such, Watts Gallop is a connected person of the Company.

Reasons for the Transactions

With reference to the Board Letter, with years of stable and long-term business relationship between the Group and Watts Gallop Group and the Group's involvement in providing services to Watts Gallop Group since 2010, the Group is familiar with the business needs, quality standards and operation requirements of Watts Gallop Group while Watts Gallop Group is familiar with the Group's construction capacity and qualification. Based on the pricing policy of the 2026-2028 Master Construction Services Agreement, the Group is able to render revenue with terms not less favorable than Independent Third Parties. In addition, the long-term relationship between the Group and Watts Gallop Group also creates synergies such as more effective communication and higher work efficiency, while also reduces the administrative procedure and cost of the Group during the bidding process and less credit risk when collecting receivables.

Given that services fees to be generated from the 2026-2028 Master Construction Services Agreement will be recorded in either marine construction segment or municipal public construction segment subject to nature of construction projects of Watts Gallop Group, the Transactions are expected to provide additional revenue stream to the Group.

Furthermore, as confirmed by the Directors, as the Transactions are conducted in the ordinary and usual course of business of the Group, it would be (i) costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders as required by the Listing Rules, if necessary; and (ii) (if any) impracticable to seek Independent Shareholders' approval upon confirmation of the Group's successful bidding for the provision of construction services to Watts Gallop Group. Accordingly, the Directors are of the view that the Transactions will be beneficial to the Company and the Shareholders as a whole.

LETTER FROM GRAM CAPITAL LIMITED

In view of the above and that the Transactions are of revenue nature, we concur with the Directors that the Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

Principal terms of the Transactions

The following table summarises the principal terms of the Transactions, details of which are set out under the section headed “2026-2028 MASTER CONSTRUCTION SERVICES AGREEMENT” of the Board Letter:

Date	4 December 2025 (after trading hours)
Parties	(i) the Company (ii) Watts Gallop
Subject matter	Pursuant to the 2026-2028 Master Construction Services Agreement, the Group will, if engaged by Watts Gallop Group, provide engineering construction services to Watts Gallop Group. The engineering construction services shall include but not limited to (i) marine engineering construction services, (ii) municipal public engineering construction services and (iii) other engineering construction services (such as soil remediation engineering services) that may be provided by the Group.
Term	The 2026-2028 Master Construction Services Agreement will be effective for the three years from 1 January 2026 to 31 December 2028.

Pricing policy

When determining the fees to be charged by the Group (including cost and gross profit) for the engineering construction services to be provided by the Group under the 2026–2028 Master Construction Services Agreement, the Company will mainly consider the expected gross profit margin. The expected gross profit margin shall be no less favourable than at least two recent similar comparable projects (in terms of nature, size, duration, potential risks, cost of raw material and complexity etc.) that the engineering construction services of which were provided by the Group to Independent Third Parties.

For the existing construction projects in progress of the Group engaged by Watts Gallop Group, the Group is required to submit work-in-progress applications to the owners of the projects by phase according to the construction progress. Once the project owners agree with the

LETTER FROM GRAM CAPITAL LIMITED

work-in-progress applications after their inspection and certification, they shall arrange payment in accordance with the payment amount in the work-in-progress applications within a specified period of time according to the terms specified in the contracts (the “**Payment Terms for Existing Construction Projects**”).

As advised by the Directors, the Group is required to submit work-in-progress applications to the owners (including both of the Watts Gallop Group and the Independent Third Parties) of the construction projects in progress of the Group as engaged by such owners (including both of the Watts Gallop Group and the Independent Third Parties) by phase according to the respective construction progress. Upon our further request, the Company provided us with the executed agreements together with the corresponding work-in-progress applications for (i) the construction projects of the Group as engaged by Watts Gallop Group in 2023, 2024 and 2025; and (ii) the Comparable Projects (as defined below) in 2023, 2024 and 2025. After reviewing the aforesaid documents, we noted that (i) the executed agreements for both of the (a) construction projects of the Group as engaged by Watts Gallop Group; and (b) Comparable Projects, contained the Payment Terms for Existing Construction Projects; (ii) specified period of time for the payments were specified in the respective executed agreements; and (iii) the relevant payments by both Watts Gallop Group and the Independent Third Parties were settled in line with the relevant requirements in the work-in-progress applications and relevant executed agreements. Having considered that (i) the Payment Terms for Existing Construction Projects are applicable to both of the Watts Gallop Group and the Independent Third Parties; and (ii) the payment for the existing construction projects in progress of the Group shall be arranged by the owners according to the terms specified in the corresponding contracts, we consider that the Payment Terms for Existing Construction Projects are fair and reasonable.

The Board expects that the gross profit margins for the marine engineering construction services and municipal public engineering construction services to be provided to Watts Gallop Group will be in the range of 2%–15% and 2%–12% respectively, which was estimated based on past financial information of the Group for the two years ended 31 December 2024, and the midpoint of the range is 8.5% and 7% respectively.

To assess the fairness and reasonableness of the above gross profit margins, we enquired into the Directors in respect of the gross profit margins for projects with independent third parties for each of the Group’s marine construction segment and municipal public construction segment. Based on the information provided by the Directors, we noted that the gross profit margin of Group’s over 100 projects with independent third parties for the two years ended 31 December 2024 in respect of (i) marine construction segment ranged from 1% to 16%; and (ii) municipal public construction ranged from 1.5% to 13.2%. The wide range of gross profit margin ranges was mainly due to the different type of individual construction projects. As the anticipated gross profit margin ranges for the marine engineering construction services and municipal public engineering

LETTER FROM GRAM CAPITAL LIMITED

construction services falls within the gross profit margin ranges of the Group's projects with independent third parties, we consider the anticipated gross profit margins for the marine engineering construction services and municipal public engineering construction services to be reasonable.

We noted that the Group will adopt certain internal control measures regarding the Transactions, details of which are set out in under the section headed "INTERNAL CONTROL MEASURES REGARDING CONTINUING CONNECTED TRANSACTIONS" of the Board Letter. Given that there will be comparison procedure for the potential project before submitting tenders or quotations for projects of Watts Gallop Group, we consider that the internal control measures are sufficient for fair pricing.

To assess the effectiveness of the internal control measures, we obtained all the individual agreements entered into between the Group and the Watts Gallop Group for the period from 1 January 2023 to the date of 2026-2028 Master Construction Services Agreement. After reviewing the aforementioned individual agreements, we noted that all the individual agreements were for the provision of relevant construction services for a project of the Watts Gallop Group. Upon our further request, the Company provided us with the recognized revenue and cost of the construction services of the project. Based on the figures, we calculated the implied gross profit margin of the project. Upon our further request, the Directors provided us with gross profit margins of two comparable projects (being the most recent comparable projects) that the construction services of which were provided by the Group to Independent Third Parties for the similar period (the "**Comparable Projects**"). According to the aforesaid information, we noted that the implied gross profit margin of the project of Watts Gallop Group was no less favourable than those of the Comparable Projects. Therefore, we do not doubt the effectiveness of the implementation of the internal control measures for the Transactions.

Proposed annual caps

The table below sets forth (i) historical transaction amounts under the 2023-2025 Master Construction Services Agreement for the two years ended 31 December 2024 and 10 months ended 31 October 2025, with the existing annual caps for the three years ending 31 December 2025; and (ii) the proposed annual caps for the Transactions for the three years ending 31 December 2028:

LETTER FROM GRAM CAPITAL LIMITED

	For the year ended 31 December 2023 <i>RMB'million</i>	For the year ended 31 December 2024 <i>RMB'million</i>	For the year ending 31 December 2025 ("FY2025") <i>RMB'million</i>
Historical transaction amounts	184.3	77.8	103.1 (Note)
Existing annual caps	362	178	118
Utilization rate	51%	44%	87% (Note)
	For the year ending 31 December 2026 ("FY2026") <i>RMB'million</i>	For the year ending 31 December 2027 ("FY2027") <i>RMB'million</i>	For the year ending 31 December 2028 ("FY2028") <i>RMB'million</i>
Proposed annual caps	330	156	150

Note: the figure was for the 10 months ended 31 October 2025.

We noted from the above table that the utilization rates for FY2023 and FY2024 were at low levels. The low utilization rates for FY2023 and FY2024 was primarily attributable to the combined impact of (i) the slowdown in the PRC's macroeconomic growth and the weakening of the real estate market; (ii) project suspensions resulting from requirements from government authorities related to the construction environment; (iii) targeted adjustments and optimizations to construction plans arising from the projects' special geographical locations, which led to the change in construction schedule; and (iv) slowing down of construction progress requested by the project owners due to the rising material costs coupled with continuous decrease in selling prices at the real estate retail market, all of which led to the delay of work schedule for the Group's ongoing construction on the projects during the years of 2023 and 2024. The utilization rate of annual cap for FY2025 was relatively high as certain construction work from previous years was delayed to the year of 2025.

The bases for determining the proposed annual caps for the Transactions for the three years ending 31 December 2028 are set out under section headed "Proposed Annual Caps under 2026–2028 Master Construction Services Agreement" of the Board Letter.

LETTER FROM GRAM CAPITAL LIMITED

Upon our request, the Directors provided us with the calculation of the proposed annual caps for the Transactions for the three years ending 31 December 2028 (the “**Calculation**”). After reviewing the Calculation, we noted that the proposed annual caps for each of the three years ending 31 December 2028 was calculated based on (i) the expected demand of the Watts Gallop Group for the construction services made with reference to the existing projects; and (ii) the expected demand of the Watts Gallop Group for the construction services made with reference to a potential project (the “**Potential Project**”), for each of the three years ending 31 December 2028. Details are as follows:

- approximately RMB327.3 million, comprising expected demand of construction services of the Watts Gallop Group for (i) the existing projects of approximately RMB127.3 million; and (ii) the Potential Project of RMB200.0 million, for FY2026;
- approximately RMB155.5 million, comprising expected demand of construction services of the Watts Gallop Group for (i) the existing projects of approximately RMB5.5 million; and (ii) the Potential Project of RMB150.0 million for FY2027; and
- approximately RMB150.0 million, which is the expected demand of construction services for the Potential Project, for FY2028.

Existing projects

In respect of the expected demand of construction services by the Watts Gallop Group for the existing projects for FY2026 (i.e. approximately RMB127.3 million), we obtained and reviewed all the relevant individual contracts. Upon our further request, the Directors advised us the bill of quantity (工程量清單) as at 31 October 2025. Based on the aforesaid information, we noted that the estimated demand of the Watts Gallop Group for the existing projects represented the net of contract values of the individual contracts and the figures as shown in the bill of quantity. Furthermore, we also noted that the existing projects, with estimated remaining amounts of approximately RMB127.3 million, were expected to complete in 2026. Given the aforesaid, we are of the view that the expected demand of construction services of the Watts Gallop Group for the existing projects for FY2026 of approximately RMB127.3 million is reasonable.

In respect of the expected demand of construction services by the Watts Gallop Group for the existing projects for FY2027 (i.e. approximately RMB5 million), we obtained the record of internal meeting regarding construction schedule coordination of the relevant existing project. After reviewing such internal meeting record and the discussion with the Company, we noted that such existing project is expected to postpone to 2027 primarily attributable to the suspension of construction resulting from (i) the slowdown in the PRC’s macroeconomic growth and the weakening of the real estate market; (ii) requirements from government authorities related to the

LETTER FROM GRAM CAPITAL LIMITED

construction environment; and (iii) the effect during the novel coronavirus (COVID-19) pandemic period. In addition, upon our request, the Company further provided us with the executed agreement of such existing project together with the corresponding internal construction settlement records. After reviewing the aforementioned documents, we noted that the remaining amounts of the construction of such existing project was approximately RMB5.5 million, which equals to the expected demand of construction services by the Watts Gallop Group for the existing projects for FY2027 (i.e. approximately RMB5.5 million). Given the aforesaid, we are of the view that the expected demand of construction services of the Watts Gallop Group for the existing projects for FY2027 of approximately RMB5.5 million is reasonable.

Potential Project

In respect of the Potential Project, we obtained a draft feasibility study (the “**Feasibility Study**”) to be issued by an independent third party (the “**Feasibility Study Issuer**”) in 2025. According to the official website of the Feasibility Study Issuer, the Feasibility Study Issuer was incorporated in April 2008 as a subsidiary of a state-owned sole proprietorship enterprise established with funding from the Yangtze River Water Resources Commission of the Ministry of Water Resources. The Feasibility Study Issuer is principally engaged in the provision of comprehensive survey and design services, such as engineering survey, planning, design, scientific research, consulting, supervision, turnkey contracting, and investment. The Feasibility Study Issuer holds various certificates, including Grade-A Comprehensive Design, Grade-A Comprehensive Engineering Survey, Grade-A Comprehensive Engineering Consulting, and Grade-A Comprehensive Engineering Supervision credentials. In addition, it possesses a range of high-level certifications, such as Grade-A Water Resources Argumentation, Grade-A Urban and Rural Planning, and qualifications for international project contracting.

Although the Feasibility Study had not been formally finalized as at the Latest Practicable Date, the Directors advised that it (i) was a pre-finalized draft at that time; and (ii) had been submitted to the local government for reference. As at the Latest Practicable Date, there were no material comments received and no material amendments were required for the Feasibility Study. Given the above, we consider the pre-finalized Feasibility Study to be reliable.

According to the Feasibility Study, we noted that the Potential Project is expected to commence in February 2026, with a construction period of 24 months. As advised by the Directors, the construction works to be provided by the Group to Watts Gallop Group is part of the development of the Potential Project. After reviewing project filing certificate of the Potential Project (provided by the Company) and discussion with the Directors, the abovementioned construction works are RMB500 million.

LETTER FROM GRAM CAPITAL LIMITED

The Directors estimated the demand of construction services for each of the three years ending 31 December 2028 would be RMB200 million, RMB150 million and RMB150 million respectively.

Having considered (i) the construction works are RMB500 million; and (ii) it is reasonable to estimate a large proportion of demand of construction at an earlier stage of the Potential Project (which is expected to commence in February 2026) due to the bulk purchase of materials, we are of the view that the expected demand of construction services of the Watts Gallop Group for the potential project of RMB200 million, RMB150 million and RMB150 million for the three years ending 31 December 2028 are fair and reasonable.

Section summary

Having considered the above factors, we are of the view that the proposed annual caps (i.e. RMB330 million, RMB156 million and RMB150 million) for each of the three years ending 31 December 2028, which are respectively close to the estimated demands of approximately RMB327.3 million, approximately RMB155.5 million and approximately RMB150.0 million for the corresponding years, are fair and reasonable.

Shareholders should note that as the proposed annual caps of the Transactions for the three years ending 31 December 2028 are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2028, and they do not represent forecasts of revenue/income to be generated from the Transactions. Consequently, we express no opinion as to how closely the actual revenue/income to be generated under the Transactions will correspond with the proposed annual caps.

In light of the above, we consider that the terms of Transactions (including the proposed annual caps) are on normal commercial terms and are fair and reasonable.

LISTING RULES IMPLICATIONS

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Transactions must be restricted by the proposed annual caps; (ii) the Transactions must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports.

LETTER FROM GRAM CAPITAL LIMITED

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the 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 relevant agreement governing the transactions; and (iv) have exceeded the proposed annual caps.

In the event that the total amounts of the Transactions are anticipated to exceed the proposed annual caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the 2026-2028 Master Construction Services Agreement and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into account that above factors and reasons, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are in the interests of the Company and the Shareholders as a whole and conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking 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 to the best of their knowledge and belief that 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. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE COMPANY AND ASSOCIATED CORPORATIONS

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

Name of Director/Chief Executive	Capacity/Nature of Interest	Number of Shares held	Approximate percentage (%) of the issued share capital of the Company
Mr. Wang Xiuchun ³	Interest held jointly with another person	419,792,836	50.86
Mr. Wang Likai ³	Interest held jointly with another person	419,792,836	50.86
Ms. Wan Yun	Beneficial owner	26,825,444	3.25
Mr. Wang Lijiang	Beneficial owner	16,508,000	2.00
Ms. Wang Lifang	Beneficial owner	2,512,292	0.30

Notes:

- All interests stated are long positions.
- The calculation is based on the total number of 825,400,000 Shares in issue as at the Latest Practicable Date.

3. HuaZi Holding Limited is beneficially and wholly owned by Mr. Wang Shizhong (王士忠). By virtue of the SFO, Mr. Wang Shizhong is deemed to be interested in the 315,467,967 Shares held by HuaZi Holding Limited.

Ye Wang Zhou Holding Limited which holds 104,324,869 Shares, is owned as to 46.76%, 32.40%, 8.10%, 7.34% and 5.40% by Mr. Ye Kangshun (葉康舜), Mr. Wang Xiuchun (王秀春), Ms. Zhou Meng (周萌), Mr. Wang Shiqin (王士勤) and Mr. Wang Likai (王利凱), respectively. Pursuant to the acting-in-concert confirmation dated 22 August 2004 entered into among Mr. Wang Shizhong (王士忠), Mr. Ye Kangshun (葉康舜), Mr. Wang Xiuchun (王秀春), Ms. Zhou Meng (周萌) and Mr. Wang Shiqin (王士勤) (as supplemented by another acting-in-concert confirmation dated 25 May 2018 entered into among the same parties and Mr. Wang Likai (王利凱)), they have acknowledged and confirmed, among other things, that they are parties acting in concert (having the meaning as ascribed thereto in the Takeovers Code) (the “**Acting-in-concert Confirmation**”). As such, Mr. Wang Shizhong (王士忠), Mr. Wang Xiuchun (王秀春) and Mr. Wang Likai (王利凱) are deemed to be interested in each other’s interest in the Shares.

Save as disclosed above and to the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the 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 recorded in the register required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules.

Mr. Wang Likai, an executive Director, is the director of Ye Wang Zhou Holding Limited, a substantial shareholder (within the meaning of the Part XV of the SFO) of the Company.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service agreements with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors nor their respective close associates had any interest in any business which competes or is likely to compete, or is in conflict or is likely to be in conflict, either directly or indirectly, with the business of Group.

5. OTHER INTEREST OF THE DIRECTORS

As at the Latest Practicable Date:

- a) none of the Directors had any interest, either direct or indirect, in any assets which have, since 31 December 2024 (being the date to which the latest published audited accounts of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- b) save as the 2026–2028 Master Construction Services Agreement and other connected transactions as disclosed in the annual report of the Company for the year ended 31 December 2024, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which is subsisting as at the Latest Practicable Date and is significant in relation to the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL ADVERSE CHANGE

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

8. EXPERT AND CONSENT

The names and the qualifications of the expert who has given opinion or advice which is contained or referred to in this circular are as follows:

Name	Qualification
<i>Gram Capital Limited</i>	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Gram Capital had no direct or indirect shareholdings in any member of the Group nor any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and did not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2024, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, report or opinion and reference to its name in the form and context in which they respectively appear.

The letter, reports and recommendation from Gram Capital is given as of the date of this circular for incorporation herein.

9. GENERAL

- a) The joint company secretaries of the Company are Mr. Wang Lijiang and Ms. Zhang Xiao. Mr. Wang Lijiang is not a member of the Hong Kong Institute of Certified Public Accountants, a member of The Hong Kong Chartered Governance Institute, nor a solicitor or barrister as defined in the Legal Practitioners Ordinance. Ms. Zhang Xiao has been an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute since 2019.
- b) The registered office of the Company is located at 4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman, KY1-1002, Cayman Islands.
- c) The principal place of business of the Company in Hong Kong is 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.
- d) The principal place of business and headquarters in the PRC is 5/F, Tower 17, 2816 Yixian Road, Baoshan District, Shanghai, the PRC.
- e) The Company's branch share registrar and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- f) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

10. DOCUMENTS ON DISPLAY

Copy of the 2026–2028 Master Construction Services Agreement will be published and displayed on the website of HKEXnews at <http://www.hkexnews.hk> and on the website of the Company at <http://www.shbt-china.com> for a period of 14 days from the date of this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



华滋国际海洋股份有限公司
Watts International Maritime Company Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2258)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Watts International Maritime Company Limited (the “**Company**”) will be held at Room 203, Building B, Mobile Internet Innovation Park, 2816 Yixian Road, Baoshan District, Shanghai, the PRC on Tuesday, 23 December 2025 at 10:00 a.m. to consider and, if thought fit, to pass with or without amendments, the following resolutions:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the 2026–2028 Master Construction Services Agreement (as defined in the circular of the Company dated 9 December 2025 (the “**Circular**”)), a copy of which is marked “A” and initialled by the Chairman of the EGM for the purpose of identification, the terms, the transactions contemplated thereunder together with the proposed annual caps as set out in the Circular be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to take any action and execute such further documents as he/she considers necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the 2026–2028 Master Construction Services Agreement and the transactions contemplated thereunder.”

By order of the Board of
Watts International Maritime Company Limited
Wang Xiuchun
Chairman and Executive Director

Shanghai, 9 December 2025

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (i) Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (ii) To be valid, the instrument appointing a proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting.
- (iii) Completion and return of the form of proxy will not preclude any member from attending and voting in person at the EGM if so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.
- (iv) To ascertain a member's entitlement to attend and vote at the EGM, the Register of Members of the Company will be closed for registration of transfer of shares of the Company ("**Shares**") from Thursday, 18 December 2025 to Tuesday, 23 December 2025, both days inclusive, during which period no transfer of the Shares will be registered. In order to qualify for attending and voting at the EGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 17 December 2025.
- (v) References to time and dates in this notice are to Hong Kong time and dates.
- (vi) As at the date of this notice, the Board comprises Mr. Wang Xiuchun, Ms. Wan Yun, Mr. Wang Lijiang, Mr. Wang Likai and Ms. Wang Lifang as executive Directors; Mr. Wang Hongwei, Mr. How Sze Ming and Mr. Sun Dajian as independent non-executive Directors.