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COSCO SHIPPING ENERGY TRANSPORTATION CO., LTD.*
中遠海運能源運輸股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1138)

CONNECTED TRANSACTION
ACQUISITION OF PROPERTY

The Board is pleased to announce that on 14 November 2024, the Company and the Seller entered into the Sales and Purchase Agreement, pursuant to which the Seller agreed to dispose of, and the Company agreed to acquire the Target Property, at the aggregate consideration of RMB124,175,205 (tax inclusive).

LISTING RULES IMPLICATIONS

As at the date of this announcement, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 2,156,350,790 A shares, representing approximately 45.20% of the total issued share capital of the Company. Accordingly, COSCO SHIPPING is an indirect controlling Shareholder of the Company and therefore a connected person of the Company. The Seller is an indirect wholly-owned subsidiary of COSCO SHIPPING and therefore a connected person of the Company.

As one or more applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Sales and Purchase Agreement and the transactions contemplated thereunder exceed 0.1% but are less than 5%, the Sales and Purchase Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company and are subject to the reporting and announcement requirements, but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

* *For identification purposes only*

INTRODUCTION

The Board is pleased to announce that on 14 November 2024, the Company and the Seller entered into the Sales and Purchase Agreement, pursuant to which the Seller agreed to dispose of, and the Company agreed to acquire the Target Property, at the aggregate consideration of RMB124,175,205 (tax inclusive).

The Sales and Purchase Agreement

The principal terms of the Sales and Purchase Agreement are set out below:

Date

14 November 2024

Parties

- (1) The Company (as the buyer); and
- (2) Guangzhou Hailong Real Estate (as the Seller).

Subject matter

The Target Property is located at Room 1701, 17/F Guangzhou International Shipping Tower, No. 8 Yuanhai Street, Haizhu District, Guangzhou, the PRC* (中國廣州市海珠區遠海街8號廣州國際航運大廈第17層1701號房), with a measured gross floor area of approximately 2,374 square metres. The Target Property is used as office. The Target Property has not generated any income or profit previously. The Target Property is not subject to any mortgage, restrictions, arbitration, or judicial measures such as seizure order or freezing order, and other situations that would hinder the transfer of ownership.

Consideration and payment terms

The total price of the Target Property is RMB124,175,205 (tax inclusive), which has been and shall be paid by the buyer in the following manner:

- (1) RMB25,114,813, representing approximately 20% of the Consideration of the property, has been paid as a deposit prior to the signing of the Sales and Purchase Agreement, and will be fully credited to the price of the Target Property upon the signing of the Sales and Purchase Agreement; and
- (2) the balance of RMB99,060,392 shall be paid before 15 November 2024.

The Consideration will be funded by the internal resources of the Group. The Consideration was determined after arm's length negotiations between the buyer and the Seller, with reference to the fair market value of the Target Property and the comparable properties in the vicinity of the Target Property as well as the prospects and development potential of the Target Property.

Delivery

The Seller has delivered the Target Property to the Company on 1 February 2024 in accordance with the specifications of the Sales and Purchase Agreement and obtained the approval documents for the delivery and usage of the Target Property in accordance with applicable laws and regulations. As of the date of this announcement, the acquisition of the Target Property is not subject to any other outstanding approvals and procedural requirements.

The Company's Guangzhou centre has been using the Target Property as office from 1 July 2024.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALES AND PURCHASE AGREEMENT

The office acquired by the Company is located in Pazhou Internet Innovation Cluster, Haizhu District, Guangzhou, the PRC* (中國廣州市海珠區琶洲互聯網創新集聚區), and has superior geographical location, excellent construction quality and convenient transportation. The Company's Guangzhou centre is the regional centre for South China, which is mainly responsible for coordinating with the head office to carry out the management of customer marketing, market development and business expansion in South China, and in the future, it will also undertake functions such as shipowners training. This transaction is conducive to the servicing of the Company's strategic deployment by the Guangzhou centre, enhancing the level of customer services, contributing to the high-quality development of the business in South China and meeting the demand for crew services.

The Company has conducted economic calculation and comparison between the plans of leasing and acquiring office, and considers that the plan of acquiring office is better than the plan of leasing.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Sales and Purchase Agreement and the transactions contemplated thereunder are entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

RELEVANT INFORMATION ON THE PARTIES

Information on the Group

The Company is a joint stock limited company incorporated in the PRC, the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1138) and the A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600026).

The Group is principally engaged in investment holding, oil shipment along the coast of the PRC and internationally, international liquefied natural gas shipment and vessel chartering.

Information on the Seller

Guangzhou Hailong Real Estate is a company established under the laws of the PRC with limited liability. It is an indirect wholly-owned subsidiary of COSCO SHIPPING and held as to 80% and 20% by COSCO SHIPPING Bulk Co., Ltd.* (中遠海運散貨運輸有限公司) and COSCO SHIPPING Property Co., Ltd.* (中遠海運資產經營管理有限公司), respectively. It is principally engaged in real estate development and operation, corporate image planning services, corporate management consulting services, corporate management services (except for those involved in licensing operations), marketing planning and property management.

LISTING RULES IMPLICATIONS

As at the date of this announcement, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 2,156,350,790 A shares, representing approximately 45.20% of the total issued share capital of the Company. Accordingly, COSCO SHIPPING is an indirect controlling Shareholder of the Company and therefore a connected person of the Company.

To the best of the Directors' knowledge, information and belief, Guangzhou Hailong Real Estate is an indirect wholly-owned subsidiary of COSCO SHIPPING and therefore a connected person of the Company. Accordingly, the Sales and Purchase Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Sales and Purchase Agreement and the transactions contemplated thereunder exceed 0.1% but are less than 5%, the Sales and Purchase Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company and are subject to the reporting and announcement requirements, but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

When considering the matters in relation to the acquisition of the property in September 2023, Mr. Wang Wei and Ms. Wang Songwen, both being non-executive Directors, held directorship(s) or act as senior management in COSCO SHIPPING and/or its associates. Therefore, Mr. Wang Wei and Ms. Wang Songwen have abstained from voting on the relevant Board resolution approving the Sales and Purchase Agreement and the transactions contemplated thereunder. Save as aforementioned, when considering the matters in relation to the acquisition of the property in September 2023, none of the other Directors had a material interest in the Sales and Purchase Agreement and the transactions contemplated thereunder and therefore no other Director had abstained from voting on such Board resolution.

DEFINITIONS

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follows:

“A share(s)”	the domestic share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“Board”	the board of Directors of the Company
“Company”	COSCO SHIPPING Energy Transportation Co., Ltd.* (中遠海運能源運輸股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares and A shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1138) and the Shanghai Stock Exchange (Stock Code: 600026), respectively
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration payable by the Company to the Seller for the acquisition of the Target Property under the Sales and Purchase Agreement
“COSCO SHIPPING”	China COSCO SHIPPING Corporation Limited* (中國遠洋海運集團有限公司), a PRC state-owned enterprise and an indirect controlling Shareholder of the Company
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“H share(s)”	overseas listed foreign share(s) of par value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the Main Board of the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, means the PRC (Mainland)
“RMB”	Renminbi, the lawful currency of the PRC
“Sales and Purchase Agreement”	the sales and purchase agreement dated 14 November 2024 entered into between the Company and the Seller, pursuant to which the Seller agreed to sell and the Company agreed to acquire the Target Property
“Seller” or “Guangzhou Hailong Real Estate”	Guangzhou Hailong Real Estate Co., Ltd.* (廣州海龍置業有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of COSCO SHIPPING
“Share(s)”	A share(s) and H share(s)
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Target Property”	the property to be disposed by Guangzhou Hailong Real Estate and to be acquired by the Company pursuant to the Sales and Purchase Agreement, details of which are set out under the heading “Subject matter” above
“%”	per cent

By Order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
Ni Yidan
Company Secretary

Shanghai, the PRC
14 November 2024

As at the date of this announcement, the Board comprises Mr. Ren Yongqiang and Mr. Zhu Maijin as executive Directors, Mr. Wang Wei and Ms. Wang Songwen as non-executive Directors, and Mr. Victor Huang, Mr. Li Runsheng, Mr. Zhao Jinsong and Mr. Wang Zuwen as independent non-executive Directors.

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