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)

DISCLOSEABLE TRANSACTION
CONSTRUCTION OF SIX VERY LARGE CRUDE CARRIERS

THE SHIPBUILDING CONTRACTS

The Board is pleased to announce that on 22 November 2024, COSCO SHIPPING Energy Transportation (Hainan) (a wholly-owned subsidiary of the Company) entered into the Shipbuilding Contracts with Dalian Shipbuilding and China Shipbuilding Trading for the construction of six very large crude carriers at an aggregate consideration of RMB5,748 million (including tax).

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Pursuant to Rule 14.22 of the Hong Kong Listing Rules, if a series of transactions are all carried out within a 12-month period or are otherwise related, they are aggregated and treated as if they were one transaction. As the counterparties to the Shipbuilding Contracts and the September 2024 Transaction are both Dalian Shipbuilding and China Shipbuilding Trading and their transaction nature are similar, they should be aggregated. In accordance with the Hong Kong Listing Rules, as one or more applicable percentage ratios calculated in respect of the Shipbuilding Contracts and the transactions contemplated thereunder (when aggregated with the September 2024 Transaction) exceed 5% but are all less than 25%, the entering into of the Shipbuilding Contracts and the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

* *For identification purposes only*

INTRODUCTION

The Board is pleased to announce that on 22 November 2024, COSCO SHIPPING Energy Transportation (Hainan) (a wholly-owned subsidiary of the Company) entered into the Shipbuilding Contracts with Dalian Shipbuilding and China Shipbuilding Trading for the construction of the six Very Large Crude Carriers at an aggregate consideration of RMB5,748 million (including tax).

THE SHIPBUILDING CONTRACTS

The principal terms of the Shipbuilding Contracts are set out below.

Date

22 November 2024

Parties

(1) COSCO SHIPPING Energy Transportation (Hainan) (as Buyer);

(2) Dalian Shipbuilding (as builder and seller); and

(3) China Shipbuilding Trading (as seller).

Subject matter

Pursuant to the Shipbuilding Contracts, Dalian Shipbuilding (as builder) and China Shipbuilding Trading (together with Dalian Shipbuilding, as the Sellers) have jointly and severally agreed to design, build, launch, equip and complete the Tankers at the shipyard, and sell and deliver to the Buyer, and the Buyer has agreed to purchase and take delivery of the Tankers.

The tankers

The tankers are six LNG/methanol dual fuel (ready) very large crude carriers with a maximum deadweight of 307,000 DWT at structural draught each.

Consideration and payment terms

Pursuant to the Shipbuilding Contracts, the consideration for each of the Tankers is RMB958 million, and the aggregate consideration for the six tankers is RMB5,748 million (including tax). The consideration (being the tanker price of each of the Tankers) is payable by the Buyer to the Sellers in five instalments of 20%, 10%, 10%, 10% and 50%, respectively based on the shipbuilding progress. The fifth instalment, being 50% of the consideration, shall be subject to adjustments under certain circumstances (including expense reimbursements and liquidated damages for late delivery and performance deficiencies of the Tankers) in accordance with the terms of the Shipbuilding Contracts.

The consideration was determined after arm's length negotiations between the Buyer and the Sellers with reference to the market price for the construction of comparable vessels by major shipbuilders in the market.

The consideration for the Tankers payable under the Shipbuilding Contracts will be funded by COSCO SHIPPING Energy Transportation (Hainan) as to approximately 77% by external financing and approximately 23% by internal financial resources.

Delivery

The delivery of the six tankers is expected to take place between the third quarter of 2027 and the fourth quarter of 2028.

Modifications

Pursuant to the Shipbuilding Contracts, the Buyer may submit a request for change to the specifications of the Tankers to the Sellers at any time after the date of the Shipbuilding Contracts. The Buyer shall provide, together with the request, sufficient documentation and details to describe the change requested, provided that the planned program and the Sellers' other commitments under the Shipbuilding Contracts can reasonably be adjusted to accommodate the change.

INFORMATION ON THE PARTIES

Information on the Group

The Company is a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the 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 LNG shipment and vessel chartering.

COSCO SHIPPING Energy Transportation (Hainan) is a company incorporated under the laws of the PRC with limited liability. It is a wholly-owned subsidiary of the Company and is principally engaged in the international energy transportation business.

Information on Dalian Shipbuilding and China Shipbuilding Trading

Dalian Shipbuilding is a company incorporated under the laws of the PRC with limited liability. It is principally engaged in the business of shipbuilding and ship repairing. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry, as at the date of this announcement, Dalian Shipbuilding is a wholly owned subsidiary of China Shipbuilding Industry Company Limited* (中國船舶重工股份有限公司), the A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601989) and indirectly controlled by China Shipbuilding Corporation, which is in turn controlled by SASAC.

China Shipbuilding Trading is a company incorporated under the laws of the PRC with limited liability. It is principally engaged in import and export of goods, technology import and export, agency import and export. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry, as at the date of this announcement, China Shipbuilding Trading is a wholly-owned subsidiary of China Shipbuilding Corporation.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry, Dalian Shipbuilding, China Shipbuilding Trading and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHIPBUILDING CONTRACTS

The entering into of the Shipbuilding Contracts is in line with the fleet capacity development plan of the Group. The construction of Tankers will allow the Group to optimize the structure of the tanker fleet and improve the stable profitability, thereby promoting the Group's global layout and the development of green and low-carbon shipping.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Shipbuilding Contracts and the transactions contemplated thereunder are fair and reasonable and the entering into of the Shipbuilding Contracts is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Pursuant to Rule 14.22 of the Hong Kong Listing Rules, if a series of transactions are all carried out within a 12-month period or are otherwise related, they are aggregated and treated as if they were one transaction. As the counterparties to the Shipbuilding Contracts and the September 2024 Transaction are both Dalian Shipbuilding and China Shipbuilding Trading and their transaction nature are similar, they should be aggregated. In accordance with the Hong Kong Listing Rules, as one or more applicable percentage ratios calculated in respect of the Shipbuilding Contracts and the transactions contemplated thereunder (when aggregated with the September 2024 Transaction) exceed 5% but are all less than 25%, the entering into of the Shipbuilding Contracts and the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

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
"Buyer" or "COSCO SHIPPING Energy Transportation (Hainan)"	COSCO SHIPPING Energy Transportation (Hainan) Co., Ltd.* (海南中遠海運能源運輸有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"China Shipbuilding Corporation"	China State Shipbuilding Corporation Limited* (中國船舶集團有限公司), a company incorporated under the laws of the PRC with limited liability and controlled by SASAC
"China Shipbuilding Trading"	China Shipbuilding Trading Co., Ltd.* (中國船舶工業貿易有限公司), a company incorporated under the laws of the PRC with limited liability
"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 Hong Kong Listing Rules
"Dalian Shipbuilding"	Dalian Shipbuilding Industry Group Co., Ltd.* (大連船舶重工集團有限公司) a company incorporated under the laws of the PRC with limited liability
"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 Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"LNG"	liquefied natural gas
"percentage ratio(s)"	has the meaning ascribed to it under the Hong Kong 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
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
"Seller(s)"	collectively, Dalian Shipbuilding and China Shipbuilding Trading
"September 2024 Transaction"	Future Prosperity LNG Shipping Co., Ltd.* (遠興液化天然氣運輸有限公司) and Future Reliance LNG Shipping Co., Ltd.* (遠致液化天然氣運輸有限公司) (each being a wholly-owned subsidiary of Future Ocean LNG Investment* (遠海液化天然氣投資有限公司), an indirect wholly-owned subsidiary of the Company), respectively, entered into two shipbuilding contracts dated 13 September 2024 with Dalian Shipbuilding and China Shipbuilding Trading for the construction of the two vessels, and please refer to the announcement of the Company dated 13 September 2024 for further details
"Shareholder(s)"	holder(s) of the share(s) of the Company
"Shipbuilding Contracts"	collectively, six shipbuilding contracts dated 22 November 2024 entered into between the Buyer, Dalian Shipbuilding (as builder) and China Shipbuilding Trading (together with Dalian Shipbuilding, as the Sellers) for the construction of the six Very Large Crude Carriers

"Tankers"	six LNG/methanol dual fuel (ready) very large crude carriers with a maximum deadweight of 307,000 DWT at structural draught each
"%"	per cent

By order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
NI Yidan
Company Secretary

Shanghai, the PRC
22 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, Mr. Victor HUANG, Mr. LI Runsheng, Mr. ZHAO Jinsong and Mr. WANG Zuwen as independent non-executive Directors.

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