COSCO SHIPPING ENERGY TRANSPORTATION CO., LTD.*

IMPLEMENTING RULES FOR THE AUDIT COMMITTEE OF THE BOARD

(Initially formulated at the second meeting of
the Board of Directors in 2004 on 12 March 2004, and became effective upon approval
at the 2003 Annual General Meeting of Shareholders on 10 June 2004;
first amended at the second meeting of the Board of Directors in 2005 on 1 March 2005;
second amended at the twelfth meeting of the Board of Directors in 2009 on 19 August 2009;
third amended at the fourth meeting of the Board of Directors in 2014 on 15 April 2014;
fourth amended at the second meeting of the Board of Directors in 2016 on 8 March 2016;
fifth amended at the eleventh meeting of the Board of Directors in 2019 on 30 October 2019;
sixth amended at the fourth meeting of the Board of Directors in 2020 on 24 April 2020;
seventh amended at the fifth meeting of the Board of Directors in 2024 on 30 May 2024;
eighth amended at the tenth meeting of the Board of Directors in 2025 on 15 August 2025)

Chapter 1 General Provisions

Article 1 In order to strengthen the scientificity of the decision-making of the board (the "Board") of directors ("Directors") of the Company, enhance the decision-making level, accomplish audit in advance and professional audit so as to ensure effective supervision over the management by the Board, perfect the governance structure of the Company, as well as standardize the operation of the Audit Committee of the Board, the Board of the Company sets up the Audit Committee (the "Committee") and formulates these implementing rules (the "Implementing Rules") in accordance with the Company Law of the People's Republic of China, the Guidelines for Governance Standards of Listed Companies, the Shanghai Stock Exchange Listing Rules and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (collectively referred to as the "listing rules of the place where the shares of the Company are listed"), Self-Regulatory Guidelines for Listed Companies No. 1 – Standardized Operation of Shanghai Stock Exchange, the Articles of Association of COSCO SHIPPING Energy Transportation Co., Ltd.* (hereinafter referred to as the "Articles of Association") and other related regulations.

Article 2 The Audit Committee of the Board is a body specifically set up by the Board pursuant to the resolution of the general meeting to exercise the authorities of the Supervisory Committee as stipulated in the Company Law, which is mainly responsible for, among the others, reviewing the Company's financial information and its disclosure; supervising and evaluating the internal and external audits and internal control.

* *For identification purposes only*

Chapter 2 Composition

Article 3 The Audit Committee shall comprise three members who are appointed by the Board from members of the Board.

Article 4 Members of the Audit Committee shall manage affairs independent of the Company's daily operations in principle. Independent directors shall account for more than one half of all members of the Audit Committee. Employee representatives who serves as directors may become members of the Audit Committee.

Article 5 Members of the Audit Committee shall be nominated by the chairman of the Board, or more than one half of the independent directors or one-third of all directors, and shall be elected by the Board.

Article 6 All members of the Audit Committee shall be competent of performing the duties of the Audit Committee by possessing professional knowledge and commercial experience. At least one of the independent directors at the audit committee shall be a professional in the accounting domain, and at least one director shall be equipped with appropriate professional qualifications in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or other equivalent expertise in accounting or financial management. The convener of the audit committee shall be an accounting professional.

Article 7 The Audit Committee shall have one chairman, who shall be acted by an independent non-executive director and shall be responsible for chairing the Committee. The chairman shall be elected by the Audit Committee and shall be reported to the Board for approval. The chairman shall have professional experience related to accounting or financial management.

Article 8 The term of office of members of the Audit Committee shall be in congruence with the term of the Directors, and its members may be re-elected upon the expiry of the current term of office. If any member no longer maintains the position as a director of the Company during his/her term of office, he/she shall automatically disqualify as a member, and the vacancy shall be filled by the Board in accordance with the provisions of Articles 3 to 6 above.

Article 9 The management of the Company shall appoint specific person or set up an audit working group, which is responsible for assisting the Audit Committee in the routine work of liaison and meetings organization, and procuring sufficient resources for the Audit Committee to perform its responsibilities.

Article 10 Members of the Audit Committee shall participate in relevant training courses to obtain professional knowledge in a timely manner in areas including law, accounting and regulation of listed companies for performing their duties.

Article 11 The Board of the Company shall conduct regular evaluation on the independence and performance of duties of the Audit Committee, and may replace those unfit to continue to serve as members when necessary.

Chapter 3 Terms of Reference

Article 12 The major terms of reference of the Audit Committee are:

(1) to supervise and review the work of the external audit institutions, and to make recommendations on the appointment or change of external auditing body:

(i) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, particularly the influence of non-audit services provided by an external audit institution on its independence;

(ii) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of an external audit institution, to approve the remuneration for audit service and appointment terms applicable to the external audit institutions, and any issues related to their resignation or dismissal;

(iii) to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences; to ensure the coordination between the firms of auditors if there are more than one firm involved;

(iv) to discuss and communicate with the external audit institutions on the audit scope, audit plan, audit method, and any material matters identified in the audit process;

(v) to supervise and evaluate whether the external audit institutions fulfill their duties diligently;

(vi) to develop and implement policies on the engagement of an external auditor to provide non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally.

(2) to supervise and assess the internal audit work:

(i) to review the annual internal audit plan of the Company;

(ii) to supervise the implementation of internal audit plan of the Company;

(iii) to review the internal audit reports, evaluate the results of internal audit and supervise the rectification of material matters;

(iv) to guide the internal audit department on effective operation;

(v) to study the major investigation findings on risk management and internal control matters and management's response, on its own initiative or as delegated by the Board.

(3) to monitor the integrity of, and to review and provide opinions on the financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports of the Company, and to review significant financial reporting judgments contained in them:

(i) to review the listed company's financial reports and provide opinions on the truthfulness, completeness and accuracy of the financial reports;

(ii) to focus on significant accounting and audit matters of the listed company's financial reporting, including adjustments to material accounting errors, changes in significant accounting policies and estimates, issues involving significant accounting judgments, and matters resulting in a failure to receive standard unqualified opinion audit reports;

(iii) to pay special attention to the possibilities of fraud, corrupt practice and material misstatements relating to financial reporting;

(iv) to supervise the rectification of financial reporting matters.

In reviewing these reports before submission to the Board, the Audit Committee should focus particularly on:

(a) any changes in accounting policies and practices;

(b) major judgmental areas;

(c) significant adjustments resulting from audit;

(d) the going concern assumptions and any qualifications;

(e) compliance with accounting standards;

(f) compliance with the listing rules of the place where the shares of the Company are listed and other legal requirements in relation to financial reporting.

(4) Regarding paragraph (3) above:

(i) members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the Company's external auditors; and

(ii) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts. It should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer and auditors.

(5) to supervise and assess the internal control of the Company:

(i) to review the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the board itself, to review the Company's risk management and internal control systems; to discuss with the management the risk management and internal control systems to ensure that management has performed its duty to have effective systems. The discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions;

(ii) to review the self-evaluation reports on internal control;

(iii) to review the internal control audit reports issued by the external audit institutions, as well as the matters and improvement measures formulated after communication with the external audit institutions;

(iv) to evaluate the internal control assessment and audit results, and supervise the rectification of deficiencies in internal control.

(6) to coordinate communications between the management, internal audit function and relevant departments, and the external audit institutions:

(i) to coordinate communications between the management and the external audit institutions on material audit matters;

(ii) to coordinate communications between the internal audit department and the external audit institutions and to ensure coordination between the internal audit department and the external audit institutions.

(7) to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness.

(8) to review the group's financial and accounting policies and practices.

(9) to review the external auditors' management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of risk management and control and management's response.

(10) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter.

(11) to report to the Board on the relevant matters set out in the Corporate Governance Code and the Corporate Governance Report in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(12) to review arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee shall ensure that proper arrangements are in place for the Company's fair and independent investigation of such matters and for appropriate follow-up action.

(13) the Audit Committee shall report and make recommendation to the Board on measures that must be carried out and matters where action or improvement is needed.

(14) for appointing or changing the external audit institutions of the listed company, the Audit Committee shall form deliberation opinions and make recommendations to the Board before the Board considers the relevant proposal.

(15) to act as the key representative body for overseeing the Company's relationship with the external auditor.

(16) where the Board disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Audit Committee should raise a statement explaining its recommendations to the Company. The Company should, in accordance with Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, include in the Corporate Governance Report a statement from the Audit Committee explaining its recommendation and also the reason(s) why the Board has taken a different view.

(17) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated the laws, administrative regulations, the Articles of Association or the resolutions of the general meetings.

(18) to demand rectification from a director or senior management when the acts of such persons are detrimental to the interests of the Company.

(19) to supervise the performance of duties of information disclosure by directors and senior management of the Company; to pay attention to the information disclosure, and investigate any information disclosure which is found to be in violation of laws and regulations and propose rectification action correspondingly.

(20) to propose the convening of extraordinary general meetings and to summon and preside over general meetings when the Board of Directors is unable to perform or fails to perform the duty of summoning and presiding over general meetings.

(21) to submit proposals to the general meeting.

(22) to initiate proceedings against directors and senior management in accordance with the Company Law.

(23) to consider such other matters as the laws and regulations, the Articles of Association and the Board may authorize.

Article 13 The following matters shall be approved by more than half of all members of the audit committee before submission to the Board of Directors for consideration:

(1) disclosure of financial information in financial accounting reports and regular reports, and evaluation reports on internal control;

(2) appointment or dismissal of the accounting firm which handles the audit affairs for the Company;

(3) appointment or dismissal of the chief financial officer of the Company;

(4) rectifications in accounting policies and accounting estimates or correction of significant accounting errors resulting from reasons other than changes in accounting standards;

(5) other matters specified by laws and regulations, relevant provisions of the China Securities Regulatory Commission and stock exchanges where the Company is listed, and other matters stipulated in these Articles of Association of the Company.

Article 14 The Audit Committee shall hold at least one separate meeting every year with the external audit institution in the absence of the management of the Company. The secretary to the Board can attend the meeting.

Article 15 The Audit Committee shall be accountable to the Board of the Company. The proposals of the Committee shall be submitted to the Board for consideration and decision.

Article 16 The Audit Committee is authorized by the Board to carry out any investigation according to its terms of reference.

Article 17 The Audit Committee is authorized by the Board to consult independent legal advisors on legal issues or obtain other independent professional opinions during investigation; the Audit Committee may engage intermediaries to provide professional advice if it considers necessary at the Company's expenses.

Chapter 4 Decision-making Procedures

Article 18 The relevant internal functional department of the Company shall report to the Audit Committee, and submit various audit reports and the plan and status of rectification of the issues identified during an audit as required by the Audit Committee.

Article 19 The relevant internal functional departments of the Company are responsible for making the preliminary preparations and collecting and providing the Audit Committee with the relevant written information for it to make decisions:

(1) relevant financial reports of the Company;

(2) working reports of internal and external audit institutions;

(3) internal and external audit contracts and the relevant working reports;

(4) public disclosure of information made by the Company;

(5) audit reports regarding major connected transactions of the Company;

(6) the self-evaluation reports and audit reports of the Company on internal control;

(7) other relevant matters.

Article 20 The reports submitted by relevant internal functional departments of the Company shall be discussed in the meetings of the Audit Committee, and its relevant written resolution or proposals shall be submitted to the Board for consideration:

(1) work appraisal on external audit institutions, and the appointment and change of external audit institutions;

(2) the appropriateness of the accounting policies adopted by the Company, and the compliance with the requirements of the relevant existing laws and regulations prevailing in PRC and Hong Kong, China;

(3) reports on whether the internal audit system and plan of the Company have been effectively implemented and whether the financial reports of the Company are authentic in all aspects;

(4) reports on whether information such as financial reports disclosed publicly by the Company are objective and authentic, and whether the major connected transactions of the Company are in compliance with the requirements of the relevant laws and regulations and rules;

(5) the self-evaluation reports and audit reports of the Company on internal control;

(6) work appraisal of the internal financial department and audit department, including its responsible person, of the Company;

(7) other relevant matters.

Chapter 5 Procedural Rules

Article 21 The Audit Committee meeting shall be convened at least once a quarter. Provisional meetings shall be convened when proposed by two members or more of the Audit Committee or when the chairman considers necessary. All members shall be notified seven days prior to the meeting. The meetings shall be convened and presided over by the chairman. In case that the chairman is unable to attend, he/she shall authorize another independent director member to preside over the meeting.

Article 22 The meetings of the Audit Committee shall not be held unless more than two thirds of members attend.

Article 23 Each member of the Audit Committee shall have one vote and the resolutions of the meeting shall become valid only when they are passed by the affirmative vote. Any member of the Audit Committee having a conflict of interest in the matters to be discussed by the Audit Committee shall withdraw from the meeting. When a valid opinion cannot be formed by deliberation due to withdrawal of members, the relevant matter shall be deliberated by the Board directly.

Article 24 The Audit Committee meetings shall be voted by a show of hands or by a poll. The members present shall be deemed as attending the meeting in person regardless of the meeting being convened via video, telephone or written consideration and approval.

Article 25 Members of the Audit Committee shall attend the meeting in person and provide an unequivocal opinion on the matter being deliberated. If a member is unable to attend a meeting for any reason, he/she may authorize another member to attend and give opinion by signing an instrument of proxy.

Article 26 Relevant officers such as internal audit officers, financial officers and legal advisers may attend the meetings of the Audit Committee. The Audit Committee may also invite the Directors and other senior management other than the members of the Audit Committee of the Company to attend such meetings if necessary.

Article 27 If necessary, the convening procedure and voting method of the Audit Committee meetings and the resolutions passed at such meetings shall comply with the requirements of the relevant laws, regulations, Articles of Association and these Implementing Rules.

Article 28 The Audit Committee shall have minutes of the meetings, and members and other persons present at the meetings shall sign on the minutes which shall be kept by the Board office of the Company. Drafts and final versions of minutes should be sent to all members of the Audit Committee within a reasonable time after the meeting, the drafts are for their comments and the final versions are for their record.

Article 29 Without prejudice to the generality of the duties of the Audit Committee set out herein, the Audit Committee shall report back to the Board on its various decisions and recommendations, unless there are legal or regulatory restrictions on doing so (such as restrictions on the disclosure by regulatory requirements).

Article 30 All members present at the meeting shall have an obligation to keep all matters discussed in such meetings confidential, and shall not disclose the relevant information without authorization.

Article 31 The chairman of the audit committee (or at least one member if the chairman is unable to attend) shall attend the annual general meeting of the Company and answer shareholders' questions at the meeting.

Chapter 6 Supplementary Provisions

Article 32 These Implementing Rules shall be effective and implemented on the date when the relevant resolution is passed by the Board.

Article 33 Any matters not covered in these Implementing Rules shall be subject to relevant national laws and regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association. If these Implementing Rules are inconsistent with the laws and regulations issued by the State in the future, the listing rules of the place where the shares of the Company are listed or the Articles of Association after being revised by legal procedures, it shall be implemented in accordance with the provisions of relevant national laws and regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association, and shall be revised immediately and submitted to the Board of the Company for consideration and approval.

Article 34 The power of interpretation of these rules shall be vested in the Board of the Company.