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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)

PROPOSED DISCLOSEABLE AND CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS REGARDING THE CHARTER

PROPOSED CHARTER

The Board is pleased to announce that Pan Cosmos, a wholly-owned subsidiary of the Company and as charterer/lessee, proposed to enter into the Charter Party with Hainan COSCO SHIPPING Development, a connected person of the Company and as owner/lessor, pursuant to which Pan Cosmos agreed to lease six (6) VLCCs from Hainan COSCO SHIPPING Development with a lease term of 240 months ± 90 days, commencing from the date of delivery of each vessel.

The vessels are 307,000-ton VLCC crude oil tanker (with dual reserve of "**methanol+LNG**" fuel).

In order to comprehensively balance the uncertainty of future market fluctuations, the Company proposes to adopt a relatively balanced portfolio structure under the Charter Party, comprising three (3) vessels under a fixed bareboat charter rate and three (3) vessels under a floor rate with profit-sharing mechanism. The expected annual rent incurred for six (6) vessels after delivery will be between RMB296 million (excluding taxes and fees) and RMB427 million (excluding taxes and fees) based on spot market freight rate, taking into account the potential rent adjustments. Among which, save for the two years ending 31 December 2026, the Company expects that the maximum annual amount for the Variable Lease Payments under the Charter Party for each of years ending 31 December 2047 shall be approximately RMB131 million.

The lease payments under the Charter Party are expected to be funded by internal resources of the Group in the ordinary and usual course of business.

* *For identification purposes only*

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Pursuant to HKFRS 16, the Group is required to (i) recognize the Chartered Vessels as right-of-use assets, and therefore, in accordance with the Hong Kong Listing Rules, the Proposed Charter and the Fixed Lease Payments thereunder will be regarded as an asset acquisition by the Group; and (ii) recognize the Variable Lease Payments as expenses incurred by the Group over the term of the Charter Party.

As at the date of this announcement, COSCO SHIPPING directly holds 1,026,369,981 A Shares, while China Shipping Group Company Limited* (中國海運集團有限公司) (a wholly-owned subsidiary of COSCO SHIPPING) and its subsidiaries hold 1,536,924,595 A Shares. Accordingly, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 2,563,294,576 A Shares, representing approximately 46.90% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is the controlling Shareholder of the Company and is thus a connected person of the Company.

To the best knowledge, information, and belief of the Directors, Hainan COSCO SHIPPING Development is a company indirectly controlled by COSCO SHIPPING through COSCO SHIPPING Development, and is therefore also a connected person of the Company. Accordingly, pursuant to Chapter 14A of the Hong Kong Listing Rules, the transactions contemplated under the Proposed Charter and the Fixed Lease Payments constitute a one-off connected transaction for the Company, while pursuant to Rule 14A.31 of the Hong Kong Listing Rules, the Variable Lease Payments are regarded as a continuing connected transaction of the Company.

As the highest applicable percentage ratio in relation to the value of the right-of-use assets under the Proposed Charter exceeds 5%, the transactions contemplated under the Proposed Charter and the related Fixed Lease Payments constitute discloseable and connected transactions of the Company which are subject to the notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules, as well as the announcement, independent Shareholders' approval, circular, and annual reporting requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio for the maximum annual amount of the Variable Lease Payments over the charter period is above 0.1% but below 5%, the Variable Lease Payments under the Proposed Charter constitute a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules which is subject to the reporting and announcement requirements but is exempt from compliance with the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As the term stipulated in the Proposed Charter exceeds three years, pursuant to Rule 14A.52 of the Hong Kong Listing Rules, the Independent Financial Adviser is required to explain the reasons why the Proposed Charter and the Charter Party contemplated thereunder require a term of more than three years and confirm that the term of the Charter Party is in line with the general practice for agreements of this nature within the industry. The Independent Financial Adviser has been appointed and has provided its opinion in this regard in the section headed "*Proposed Charter – Independent Financial Adviser's opinion on the term*" above in this announcement.

Mr. REN Yongqiang, Mr. ZHU Maijin, Mr. WANG Shuqing, Mr. WANG Wei and Ms. ZHOU Chongyi hold directorships or senior management positions in COSCO SHIPPING and/or its associates. Accordingly, Mr. REN Yongqiang, Mr. ZHU Maijin, Mr. WANG Shuqing, Mr. WANG Wei and Ms. ZHOU Chongyi have abstained from voting on the relevant Board resolutions approving the Proposed Charter. Save as disclosed above, no other Directors have a material interest in the Proposed Charter, and therefore no other Directors have abstained from voting on the relevant Board resolutions.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An independent board committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Hong Kong Listing Rules to advise the independent Shareholders on the Charter Party and the acquisition of right-of-use assets contemplated thereunder. In this connection, the Independent Financial Adviser has been appointed by the Company in respect of the Proposed Charter and the transactions contemplated thereunder.

EGM

An EGM will be convened for the purpose of considering, and if thought fit, approving the Proposed Charter and the acquisition of right-of-use assets contemplated thereunder. COSCO SHIPPING and its associates are required to abstain from voting on the resolution(s) approving the Proposed Charter and the transactions contemplated thereunder at the EGM. An independent board committee has been established to advise the independent Shareholders as to whether the terms of the transactions contemplated under the Proposed Charter are fair and reasonable, on normal commercial terms and are entered into in the ordinary and usual course of business, and whether they are in the interests of the Company and its Shareholders as a whole. The Company has appointed the Independent Financial Adviser to advise the independent board committee and the independent Shareholders as to whether the terms of the Proposed Charter are fair and reasonable, on normal commercial terms and are entered into in the ordinary and usual course of business so far as the independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

A circular containing, among other things, details of the acquisition of right-of-use assets under the Proposed Charter, a letter from the independent board committee with its recommendation to the independent Shareholders, a letter of advice from the Independent Financial Adviser to the independent board committee and the independent Shareholders, as well as a notice convening the EGM will be dispatched to the Shareholders on or before 28 November 2025 in accordance with the Hong Kong Listing Rules, as additional time is required to prepare certain information in the circular.

INTRODUCTION

The Board is pleased to announce that Pan Cosmos, a wholly-owned subsidiary of the Company and as charterer/lessee, proposed to enter into the Charter Party with Hainan COSCO SHIPPING Development, a connected person of the Company and as owner/lessor, pursuant to which Pan Cosmos agreed to lease six (6) VLCCs from Hainan COSCO SHIPPING Development with a lease term of 240 months ± 90 days, commencing from the date of delivery of each vessel.

As of the date of this announcement, the Company has not entered into any legally binding transaction documents regarding the Proposed Charter. As the Proposed Charter may or may not proceed, the Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

Proposed Charter

The principal terms of the Charter Party are as follows:

Parties:

(i) Hainan COSCO SHIPPING Development, a connected person of the Company and as owner/lessor, or a designated subsidiary of COSCO SHIPPING Development; and

(ii) Pan Cosmos, a wholly-owned subsidiary of the Company and as charterer/lessee, or a designated subsidiary of the Company.

Subject matter:

Pursuant to the Charter Party, Hainan COSCO SHIPPING Development has agreed to provide vessel leasing services to Pan Cosmos in relation to the six (6) VLCCs (the "**Chartered Vessels**") to be built under the Charter Party. The vessels are 307,000-ton VLCC crude oil tanker (with dual reserve of "**methanol+LNG**" fuel).

Lease arrangements and period:	The lease period of each vessel shall be two hundred and forty (240) months ± ninety (90) days, commencing from the date of delivery of each vessel; wherein ± 90 days are lessee option. Such six (6) Chartered Vessels will be delivered on an orderly basis, ranging from 30 April 2027 to 30 November 2028, respectively. Upon expiration of the lease period of each vessel, Pan Cosmos shall return such vessel to Hainan COSCO SHIPPING Development.
Pricing terms:	The pricing terms were determined by the Company through methods such as price inquiry and comparison and negotiation, based on key commercial factors including the vessel construction price, technical specifications, and delivery schedule, with reference to the prevailing market rental quotations provided by independent third-party leasing companies, and were finalized pursuant to arm's length and fair negotiations between the contracting parties. The Board confirms that terms provided by Hainan COSCO SHIPPING Development and/or its associates under the Charter Party are no less favorable than the terms provided by independent third parties of the Group in relation to similar vessel leasing services. For further details, please refer to the paragraphs headed "*Proposed Charter – Rental amount*" in this announcement.
Effectiveness:	The effectiveness of the Charter Party is subject to the satisfaction of following conditions. Both contracting parties have obtained all applicable approvals for signing and implementing the Charter Party and the transactions thereunder as required by the articles of association, applicable laws and regulations as well as applicable provisions under the Hong Kong Listing Rules, including the applicable approvals of the Board and independent Shareholders (as applicable). In the avoidance of doubt, the Charter Party shall come into effect upon the approval of independent Shareholders; and the specific lease term of each vessel shall commence from each delivery date. For details of the lease term of each vessel, please refer to the subsection headed "IV. *Proposed Charter – Lease arrangements and period*" set out above in this announcement.

Rental Amount

No transaction amount is expected to be incurred for the two years ending 31 December 2026 as the relevant vessels are expected to be delivered at different time points in 2027 and 2028, respectively.

In order to comprehensively balance the uncertainty of future market fluctuations, the Company proposes to adopt a relatively balanced portfolio structure under the Charter Party, comprising three (3) vessels under a fixed bareboat charter rate and three (3) vessels under a floor rate with profit-sharing mechanism. With reference to factors such as prevailing market rent by other leasing companies, vessel construction price, vessel specifications and delivery date, among all institutions participating in the bidding competition, the quotation of Hainan COSCO SHIPPING Development was the best from a comprehensive perspective. Accordingly, the following rental arrangements have been further negotiated with Hainan COSCO SHIPPING Development:

(1) Fixed Rent Terms

For the fixed rent of 6 vessels, the average daily rent amounted to RMB134,871/vessel (exclusive of tax, the "**Fixed Lease Payments**")

(2) Variable Rent Terms

The variable lease payments (the "**Variable Lease Payments**") of the three (3) vessels are linked to the time charter equivalent of Middle East to China freight route (the "**TD3C Route**") announced by The Baltic Exchange (the "**TD3C-TCE**"):

(i) if such number is lower than the benchmark agreed upon by both parties, the daily rent shall be the above guaranteed daily rent;

(ii) if such number is higher than the benchmark agreed upon by both parties, the daily rent shall be calculated according to the following formula.

Daily rent = guaranteed daily rent+TD3C-TCE×3.5325-92,198.25

The shared rent shall be calculated on a daily basis, and the number of the previous working day shall be adopted in case of any publish holiday.

Based on the actual performance of the TD3C-TCE since 2017 and market expectations for the next 20 years, the annual variable rent of the three (3) vessels will not exceed RMB131 million.

The expected annual rent incurred for six (6) vessels after delivery will be between RMB296 million (excluding taxes and fees) and RMB427 million (excluding taxes and fees) based on spot market freight rate, taking into account the potential rent adjustments as detailed above. Among which, save for the two years ending 31 December 2026, the Company expects that the maximum annual amount for the Variable Lease Payments under the Charter Party for each of years ending 31 December 2047 shall be approximately RMB131 million.

The lease payments under the Charter Party are expected to be funded by internal resources of the Group in the ordinary and usual course of business.

Hong Kong Financial Reporting Standards

According to Hong Kong Financial Reporting Standards, the Fixed Lease Payments are of a capital nature, and the Chartered Vessels will be recognised as the Group's right-of-use assets on the commencement date of the lease terms of relevant vessels, with an estimated average amount of RMB797 million per vessel, which is calculated based on the prevailing interest rate of the 20-year treasury bonds. The exact amount is subject to be determined on the commencement date of the lease terms of relevant vessels, and shall be determined subject to the requirements of the applicable accounting standards at that time regarding the recognition of various value elements and shall be based on the confirmation by the auditor. On the other hand, the Variable Lease Payments will be linked to the TD3C-TCE announced by The Baltic Exchange, and will be recognised as the Group's expenditure during the term of the Charter Party.

Independent Financial Adviser's opinion on the term

Pursuant to Rule 14A.52 of the Hong Kong Listing Rules, the term of an agreement for a continuing connected transaction of a listed issuer must not exceed three years except in special circumstances. As the term of the Charter Party exceeds three years, the Company has appointed the Independent Financial Adviser to explain the reason for the longer term and confirm that it is a normal business practice for agreement(s) of this type to be of such a duration. For the purpose of the assessment, the Independent Financial Adviser has discussed with the Company's management the principal reasons for the longer term of the Charter Party and is of the opinion that:

(a) It is the principal business of the Group to provide energy transportation services for domestic and international customers with its global operating network and hence the entering into of the lease of the Chartered Vessels can allow the Group to provide long term and stable energy transportation services;

(b) Based on the discussion with the management of the Company, the Independent Financial Adviser understands that it is the Group's strategy to continue giving full play to the advantages of its vessel types and shipping route networks to provide customers with whole-process logistics solutions and the long term lease of Chartered Vessels enables the Group to scale fleet capacity quickly to meet rising customer demand or enter new markets without the long-term financial commitment of purchasing vessels. This agility supports expansion into new trade routes or cargo segments, aligning with market opportunities as well as allowing the Group to maintain its leading position in terms of energy transportation services;

(c) Unlike ownership, where unexpected repair or operational costs can arise, long term leasing ensures predictable expenses without the significant capital expenditure required for ownership, which facilitates better budgeting and cash flow management and ensures that financial resources are allocated efficiently to meet customer demands and maintain profitability.

In considering whether it is normal business practice for agreements of a similar nature to the Proposed Charter to have a term of such duration, the Independent Financial Adviser considered that it is not uncommon in the ship leasing industry that the duration term of the ship leasing to be longer than three years. In arriving the aforesaid conclusion, the Independent Financial Adviser has performed desktop research and identified lease of ships transactions with a lease term over three years and constitute notifiable transactions under the Hong Kong Listing Rules from 30 October 2024 to 29 October 2025, the preceding date of this announcement, which is considered as a reasonable period as those transactions are entered into within one year of the date of this announcement and hence can provide a general overview of latest market practice in relation to the lease terms of ships under leases, as announced by the companies that are being assigned in the same subsector of the Group, i.e. "Industrials – Industrial Transportation – Shipping & Port Operation" according to the Hang Seng Industry Classification System, a comprehensive industry classification system for the listed companies on the Stock Exchange covering 12 industries, 31 sectors and 102 subsector issued by Hang Seng Indexes Company Limited. Based on the above selection criteria, the Independent Financial Adviser has identified, which are exhaustive and representative, 7 comparable transactions with lease terms exceeds three years (i.e. ranging from 60 months to 180 months). Details of which are stated below:

Date of announcement	**Parties involved**	**Stock code**	**Leased Assets**	**Duration of lease**
16-Oct-25	Seacon Shipping Group Holdings Limited & Independent third party	2409	Bulk carriers	180 months
30-Jun-25	Jinhui Holdings Company Limited & Independent third party	137	Bulk carriers	84 months
30-Apr-25	Seacon Shipping Group Holdings Limited & Independent third party	2409	Mini Bulk carriers	60 months
23-Apr-25	CSSC (Hong Kong) Shipping Company Limited & Independent third party	3877	Product oil tankers	120 months

Date of announcement	Parties involved	Stock code	Leased Assets	Duration of lease
1-Apr-25	CSSC (Hong Kong) Shipping Company Limited & Independent third party	3877	Chemical/product oil tankers	120 months
26-Feb-25	Seacon Shipping Group Holdings Limited & Independent third party	2409	Bulk carrier	120 months
6-Jan-25	Seacon Shipping Group Holdings Limited & Independent third party	2409	Bulk carrier	120 months

In addition, the Independent Financial Adviser has also obtained and reviewed announcements (i) of the Company dated 31 August 2023 that it has entered into leasing transactions with an independent third party in relation to the leases of 3 LNG vessels, and the terms of which are up to maximum of 24 years (i.e. 288 months); (ii) dated 3 April 2024 and 6 May 2024 published by China Merchants Energy Shipping Co., Ltd.* (招商局能源運輸股份有限公司), A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601872), that it has entered into leasing transactions with independent third parties in relation to the leases of LNG vessels, and the terms of which are up to maximum of 25 years (i.e. 300 months) and 30 years (i.e. 360 months), respectively; and (iii) dated 26 August 2025 published by COSCO SHIPPING Development Co., Ltd* (中遠海運發展股份有限公司), A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601866) and H shares of which are listed on Hong Kong Stock Exchange (Stock code: 2866), that it has entered into, among others, leasing transactions with an independent third party in relation to the leases of a LNG vessel, and the terms of which are up to 240 months.

Despite the lease terms under the Proposed Charter is longer than that of the comparables, taking into consideration that (i) a longer-term agreement is commercially sensible for a ship company to secure a long term and stable transportation services; and (ii) the lease term of over 240 months for lease of vessels is not uncommon, as demonstrated by the aforementioned leased transactions entered into by the Company, China Merchants Energy Shipping Co., Ltd and COSCO SHIPPING Development Co., Ltd, respectively, the Independent Financial Adviser therefore consider that it is normal business practice for the Proposed Charter to be of a lease term of 240 months.

REASONS FOR AND BENEFITS OF THE PROPOSED CHARTER

1. Implementation of Fleet Capacity Development Plan and Consolidation of Market Leading Position

In alignment with national energy transportation security strategy and the implementation of the tanker fleet development plan, the Group maintains an integrated approach combining vessel construction and long-term chartering to steadily optimize its VLCC capacity structure. This initiative enhances the Group's autonomous control over VLCC transportation capacity, supports the maintenance of scale advantages in the tanker transportation segment, strengthens market competitiveness, and contributes to energy supply chain security and sustainable development.

2. Innovation in Shipping-Finance Cooperation Model and Optimization of Capital Structure and Cash Flow Management

As a significant shipping-finance cooperation initiative within the COSCO SHIPPING Group, this transaction adopts an operating lease structure. This approach effectively manages the pace of vessel investment and balances large capital expenditure scheduling. The arrangement substitutes substantial one-time vessel acquisition costs with long-term stable rental payments, thereby optimizing the Company's cash flow structure, enhancing financial flexibility, and improving overall capital utilization efficiency across the Group.

3. Establishment of Balanced Rental Mechanism and Enhancement of Vessel Operational Resilience

The transaction implements a hybrid rental structure comprising three vessels under fixed rental arrangements and three vessels under floor-plus-profit-sharing rental arrangements. This model enables the capture of revenue upside during favorable market cycles while providing rental cost containment during market downturns, thereby mitigating operational risks associated with cyclical fluctuations and strengthening overall operational stability and revenue predictability.

4. Implementation of Autonomous Vessel Management Strategy and Development of Green and Intelligent Competitiveness

The chartered VLCC vessels incorporate advanced technological features including green design, energy efficiency, intelligent systems, and LNG/methanol fuel READY. These characteristics will enhance the Group's long-term fleet operational efficiency and market adaptability. Concurrently, the vessels under operating lease will be managed under the Group's vessel management system to ensure compliance with stringent tanker safety standards, thereby reinforcing the Group's autonomous control over its tanker fleet management and advancing comprehensive vessel management capabilities.

Having considered the above factors, the basis for determining the charter hire payable under the Proposed Charter, and the opinion of the Independent Financial Adviser set out in this announcement, the Board (excluding the independent non-executive Directors, who are members of the independent board committee whose view will be given after taking into account the advice from the Independent Financial Adviser) considers that the Proposed Charter is entered into in the ordinary and usual course of business of the Group and is on normal commercial terms, and that the Proposed Charter (including the terms of the Charter Party) is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Internal Control Measures

In addition to the annual review of continuing connected transactions by the auditors and independent non-executive directors as required under Chapter 14A of the Hong Kong Listing Rules, the Company has implemented the following internal control procedures:

(i) The Company has established and implemented a connected transaction management system, which sets out, among other things, the relevant requirements and identification of connected transactions, the responsibilities of relevant departments in conducting and managing connected transactions, reporting procedures, and ongoing monitoring to ensure that the Group complies with applicable laws and regulations (including the Hong Kong Listing Rules) relating to connected transactions;

(ii) The Company shall hold regular meetings semi-annually to discuss any matters relating to transactions under the continuing connected transaction agreements and to propose recommendations for improvements;

(iii) The Company will monitor and summarize the Variable Lease Payments recorded under the Charter Party on a quarterly basis and submit periodic reports to the management of the Company, which set out, among other things, past transaction amounts, expected future transaction amounts, and the relevant maximum annual cap. If the Variable Lease Payments recorded has reached 80% of the aforementioned maximum annual cap (i.e., RMB131 million), an immediate report shall be made to the management of the Company. This will allow the Company's management and relevant departments to be promptly informed of the status of continuing connected transactions, ensuring that such transactions are conducted within the applicable parameters of the maximum annual cap;

(iv) If the Company continues to conduct continuing connected transactions that are anticipated to exceed the existing maximum annual cap, the relevant business unit must report to the Company's management at least two months in advance. The Company will then take all appropriate steps to revise the relevant annual cap in accordance with the relevant provisions of the Hong Kong Listing Rules, and, if necessary, cease further related continuing connected transactions until the revised annual cap is approved.

Through the implementation of the above procedures, the Directors believe that the Company has established adequate internal control measures. The Company's relevant departments will also collect statistical data on the Group's various continuing connected transaction agreements on a quarterly basis to ensure that the published maximum annual cap is not exceeded. If the maximum annual cap is exceeded and/or revised, the Company will, if necessary, re-comply with the applicable provisions of Chapter 14A of the Hong Kong Listing Rules regarding continuing connected transactions.

INFORMATION ON THE COMPANY, PAN COSMOS, COSCO SHIPPING DEVELOPMENT AND HAINAN COSCO SHIPPING DEVELOPMENT

The Company

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 liquefied natural gas shipment, liquefied petroleum gas shipment, chemicals shipment and vessel chartering.

Pan Cosmos

Pan Cosmos is a company established under the laws of Hong Kong with limited liability. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in ship operation and management.

COSCO SHIPPING Development

COSCO SHIPPING Development is a joint stock company established under the laws of the PRC with limited liability, the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 02866) and the A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601866). With a focus on the integrated logistics industry, COSCO SHIPPING Development will develop container manufacturing, container leasing and shipping leasing business as the core business and shipping supply chain finance services as auxiliary business, take full advantage of the support from investment management and achieve industry-finance-investment integrated development.

Hainan COSCO SHIPPING Development

Hainan COSCO SHIPPING Development is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING Development. It is principally engaged in vessel leasing and vessel operation.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Pursuant to HKFRS 16, the Group is required to (i) recognize the Chartered Vessels as right-of-use assets, and therefore, in accordance with the Hong Kong Listing Rules, the Proposed Charter and the Fixed Lease Payments thereunder will be regarded as an asset acquisition by the Group; and (ii) recognize the Variable Lease Payments as expenses incurred by the Group over the term of the Charter Party.

As at the date of this announcement, COSCO SHIPPING directly holds 1,026,369,981 A Shares, while China Shipping Group Company Limited* (中國海運集團有限公司) (a wholly-owned subsidiary of COSCO SHIPPING) and its subsidiaries hold 1,536,924,595 A Shares. Accordingly, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 2,563,294,576 A Shares, representing approximately 46.90% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is the controlling Shareholder of the Company and is thus a connected person of the Company.

To the best knowledge, information, and belief of the Directors, Hainan COSCO SHIPPING Development is a company indirectly controlled by COSCO SHIPPING through COSCO SHIPPING Development, and is therefore also a connected person of the Company. Accordingly, pursuant to Chapter 14A of the Hong Kong Listing Rules, the transactions contemplated under the Proposed Charter and the Fixed Lease Payments constitute a one-off connected transaction for the Company, while pursuant to Rule 14A.31 of the Hong Kong Listing Rules, the Variable Lease Payments are regarded as a continuing connected transaction of the Company.

As the highest applicable percentage ratio in relation to the value of the right-of-use assets under the Proposed Charter exceeds 5%, the transactions contemplated under the Proposed Charter and the related Fixed Lease Payments constitute discloseable and connected transactions of the Company which are subject to the notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules, as well as the announcement, independent Shareholders' approval, circular, and annual reporting requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio for the maximum annual amount of the Variable Lease Payments over the charter period is above 0.1% but below 5%, the Variable Lease Payments under the Proposed Charter constitute a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules which is subject to the reporting and announcement requirements but is exempt from compliance with the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As the term stipulated in the Proposed Charter exceeds three years, pursuant to Rule 14A.52 of the Hong Kong Listing Rules, the Independent Financial Adviser is required to explain the reasons why the Proposed Charter and the Charter Party contemplated thereunder require a term of more than three years and confirm that the term of the Charter Party is in line with the general practice for agreements of this nature within the industry. The Independent Financial Adviser has been appointed and has provided its opinion in this regard in the section headed "*Proposed Charter – Independent Financial Adviser's opinion on the term*" above in this announcement.

Mr. REN Yongqiang, Mr. ZHU Maijin, Mr. WANG Shuqing, Mr. WANG Wei and Ms. ZHOU Chongyi hold directorships or senior management positions in COSCO SHIPPING and/or its associates. Accordingly, Mr. REN Yongqiang, Mr. ZHU Maijin, Mr. WANG Shuqing, Mr. WANG Wei and Ms. ZHOU Chongyi have abstained from voting on the relevant Board resolutions approving the Proposed Charter. Save as disclosed above, no other Directors have a material interest in the Proposed Charter, and therefore no other Directors have abstained from voting on the relevant Board resolutions.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An independent board committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Hong Kong Listing Rules to advise the independent Shareholders on the Charter Party and the acquisition of right-of-use assets contemplated thereunder. In this connection, the Independent Financial Adviser has been appointed by the Company in respect of the Proposed Charter and the transactions contemplated thereunder.

EGM

An EGM will be convened for the purpose of considering, and if thought fit, approving the Proposed Charter and the acquisition of right-of-use assets contemplated thereunder. COSCO SHIPPING and its associates are required to abstain from voting on the resolution(s) approving the Proposed Charter and the transactions contemplated thereunder at the EGM. An independent board committee has been established to advise the independent Shareholders as to whether the terms of the transactions contemplated under the Proposed Charter are fair and reasonable, on normal commercial terms and are entered into in the ordinary and usual course of business, and whether they are in the interests of the Company and its Shareholders as a whole. The Company has appointed the Independent Financial Adviser to advise the independent board committee and the independent Shareholders as to whether the terms of the Proposed Charter are fair and reasonable, on normal commercial terms and are entered into in the ordinary and usual course of business so far as the independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

A circular containing, among other things, details of the acquisition of right-of-use assets under the Proposed Charter, a letter from the independent board committee with its recommendation to the independent Shareholders, a letter of advice from the Independent Financial Adviser to the independent board committee and the independent Shareholders, as well as a notice convening the EGM will be dispatched to the Shareholders on or before 28 November 2025 in accordance with the Hong Kong Listing Rules, as additional time is required to prepare certain information in the circular.

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

"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
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Baltic Exchange"	The Baltic Exchange
"Board"	the board of Directors
"Charter Party"	the Bareboat Charter Party proposed to be entered into by Pan Cosmos (as the lessee) and Hainan COSCO SHIPPING Development (as the owner/lessor) in relation to the Proposed Charter, details of which are set out in this announcement
"Chartered Vessels"	has the meaning ascribed to it in the section headed "*Proposed Charter*" of this announcement
"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
"controlling Shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"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
"COSCO SHIPPING Development"	COSCO SHIPPING Development Co., Ltd.* (中遠海運發展股份有限公司), a joint stock limited company established in the PRC, the H shares and the A shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 02866) and the Shanghai Stock Exchange (Stock Code: 601866), respectively

"COSCO SHIPPING Group"	COSCO SHIPPING and its subsidiaries (excluding the Group)
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Shareholders to be convened by the Company to consider and, if thought fit, to approve (amongst others) the Charter Party and the transactions contemplated thereunder
"Fixed Lease Payments"	the amounts payable by Pan Cosmos (as the lessee) to Hainan COSCO SHIPPING Development (as the lessor) for the right to use the Chartered Vessels during the term of the lease (excluding Variable Lease Payments), and has the meaning ascribed to it in the section headed "*Proposed Charter*" section of this announcement
"Group"	the Company and its subsidiaries, and "any member of the Group" refers to the Company or any one of 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
"Hainan COSCO SHIPPING Development"	Hainan COSCO SHIPPING Development Co., Ltd.* (海南中遠海運發展有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of COSCO SHIPPING Development, and the lessor of the Chartered Vessels
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Financial Adviser"	Goldlink Capital (Corporate Finance) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company

"Pan Cosmos"	Pan Cosmos Shipping & Enterprises Co., Ltd. (寰宇船務企業有限公司), a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company, and the lessee of the Chartered Vessels
"PRC" or "China"	the People's Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"Proposed Charter"	the proposed transaction for the charter of the Chartered Vessels by Pan Cosmos (as the lessee) and Hainan COSCO SHIPPING Development (as the owner/lessor) in accordance with the Charter Party
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	A Share(s) and H Shares(s)
"Shareholder(s)"	holder(s) of the Share(s)
"Variable Lease Payments"	has the meaning ascribed to it in the section headed "*Proposed Charter*" of this announcement

By order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
REN Yongqiang
Chairman

Shanghai, the PRC
30 October 2025

As at the date of this announcement, the Board comprises Mr. REN Yongqiang and Mr. ZHU Maijin as executive Directors, Mr. WANG Shuqing, Mr. WANG Wei and Ms. ZHOU Chongyi as non-executive Directors, Mr. Victor HUANG, Mr. LI Runsheng, Mr. ZHAO Jinsong and Mr. WANG Zuwen as independent non-executive Directors.

* *For identification purposes only*