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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in **COSCO SHIPPING Energy Transportation Co., Ltd.***, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION REGARDING THE CHARTER PARTY; (2) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders

Capitalized terms used in this cover page have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 5 to 21 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on page 22 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 23 to 36 of this circular.

A notice convening the EGM to be held on Tuesday, 23 December 2025 at 10:00 a.m. at 3rd Floor, Ocean Hotel, No. 1171 Dongdaming Road, Hongkou District, Shanghai, the People's Republic of China is set out on pages EGM-1 to EGM-2 of this circular.

The proxy form for use at the EGM was enclosed hereto. Whether or not you are able to attend the EGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event by not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof (i) in case of H Shareholders, to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, (ii) in case of A Shareholders, to the Office of the Board of Directors of the Company at 7th Floor, 670 Dongdaming Road, Hongkou District, Shanghai, the People's Republic of China. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof should you so wish.

* *For identification purposes only*

5 December 2025

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NOTICE OF EXTRAORDINARY GENERAL MEETING EGM-1

In this circular, unless the context otherwise requires, the following expressions 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 (Stock Code: 600026)
"A Shareholder(s)"	holder(s) of the A Share(s)
"Announcements"	collectively, (i) the announcement of the Company dated 30 October 2025 in relation to the Proposed Charter; and (ii) the overseas regulatory announcement of the Company dated 5 November 2025 in relation to, among others, the entering into of the Charter Party by Pan Cosmos and Hainan COSCO SHIPPING Development
"Articles of Association"	the articles of association of the Company
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Audit Committee"	the audit committee of the Board
"Baltic Exchange"	The Baltic Exchange
"Board"	the board of Directors
"China Shipping"	China Shipping Group Company Limited* (中國海運集團有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of COSCO SHIPPING and a controlling shareholder of the Company
"Charter Party"	the Bareboat Charter Party dated 5 November 2025 and entered into by Pan Cosmos (as lessee) and Hainan COSCO SHIPPING Development (as owner/lessor) in relation to the Proposed Charter, details of which are set out in this Letter from the Board
"Chartered Vessels"	has the meaning ascribed to it in the section headed "*Charter Party*" of the Letter from the Board
"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 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)

"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"consideration"	the tanker price of each tanker, and for the purpose of this circular only, includes tax
"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 Company to be held on Tuesday, 23 December 2025 at 10:00 a.m. at 3rd Floor, Ocean Hotel, No. 1171 Dongdaming Road, Hongkou District, Shanghai, the People's Republic of China to consider and if thought fit, approve, among other things, the Charter Party and the acquisition of right-of-use assets contemplated thereunder
"Fixed Lease Payments"	the amounts payable by Pan Cosmos (as lessee) to Hainan COSCO SHIPPING Development (as 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 "*Charter Party*" section of the Letter from the Board
"Group"	the Company and its subsidiaries
"H Share(s)"	the overseas listed foreign shares in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1138)

"H Shareholder(s)"	holder(s) of the H Share(s)
"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"	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 Board Committee"	the independent board committee comprising all the independent non-executive Directors, namely Mr. Victor HUANG, Mr. LI Runsheng, Mr. ZHAO Jinsong and Mr. WANG Zuwen, which has been formed to advise the Independent Shareholders on the Charter Party and the acquisition of right-of-use assets contemplated thereunder in accordance with the Hong Kong Listing Rules
"Independent Financial Adviser"	Goldlink Capital (Corporate Finance) Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to make the relevant recommendation to the Independent Board Committee and the Independent Shareholders on the Charter Party and the acquisition of right-of-use assets contemplated thereunder in accordance with the Hong Kong Listing Rules
"Independent Shareholder(s)"	the Shareholders other than COSCO SHIPPING and its associates
"independent third party(ies)"	individual(s) or company(ies) and their respective beneficial owner(s) which, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, are third parties independent of the Company and its connected persons

"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
"Proposed Charter"	the proposed charter of the Chartered Vessels by Pan Cosmos (as lessee) and Hainan COSCO SHIPPING Development (as owner/lessor) in accordance with the Charter Party
"Latest Practicable Date"	2 December 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"percentage ratio(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"PRC" or "China"	the People's Republic of China, and for the purpose of this circular only, means the PRC (Mainland)
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended, supplemented, or otherwise modified from time to time)
"Share(s)"	A Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of the Share(s)
"subsidiary(ies)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Variable Lease Payments"	has the meaning ascribed to it in the section headed "*Charter Party*" of the Letter from the Board
"VLCC"	Very Large Crude Carrier(s)
"%"	per cent

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

Executive Directors:
REN Yongqiang *(Chairman)*
ZHU Maijin

Non-executive Directors:
WANG Shuqing
WANG Wei
ZHOU Chongyi

Independent non-executive Directors:
Victor HUANG
LI Runsheng
ZHAO Jinsong
WANG Zuwen

Registered Office:
Room A-1015
No.188 Ye Sheng Road
China (Shanghai) Pilot Free Trade Zone
Lingang Special Area
The People's Republic of China

Principal place of business in the PRC:
7th Floor, 670 Dongdaming Road
Hongkou District, Shanghai,
The People's Republic of China

Principal place of business in Hong Kong:
Rooms 3601-3602
36/F West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

5 December 2025

To the Shareholders

Dear Sir/Madam,

(1) DISCLOSEABLE AND CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION REGARDING THE CHARTER PARTY; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you with, among other things, (i) further details of the Charter Party and the acquisition of right-of-use assets contemplated thereunder; (ii) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders on the Charter Party and the acquisition of right-of-use assets contemplated thereunder; (iii) a letter from the

* *For identification purposes only*

Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Charter Party and the acquisition of right-of-use assets contemplated thereunder; (iv) the notice of convening the EGM; and (v) other information as required under the Hong Kong Listing Rules.

As disclosed in the Announcements, on 5 November 2025, Pan Cosmos, a wholly-owned subsidiary of the Company as charterer/lessee, entered 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 Charter Party

The principal terms of the Charter Party are as follows:

Date:	5 November 2025
Parties:	(i) Hainan COSCO SHIPPING Development, a connected person of the Company and as owner/lessor; and (ii) Pan Cosmos, a wholly-owned subsidiary of the Company and as charterer/lessee.
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. 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:

To select the most competitive bid, the pricing terms of the Charter Party were determined by the Company through methods of price inquiry, comparison and negotiation, based on key commercial factors, 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.

During the price inquiry, comparison and negotiation process, the Company invited a total of four (4) independent third-party providers of similar vessel leasing services to submit bids in addition to Hainan COSCO SHIPPING Development. The entire process, which took place across three selection rounds, involved an evaluation of the key commercial factors, including without limitation:

(a) *Rental pricing structure*: whether the bidders are able to offer a "fixed + revenue sharing" hybrid module, such that the Group is able to control and limit its risks exposure during periods of market downturn through the floating charter structure (i.e. variable rent terms);

(b) *Rental pricing levels*: the average rental costs for both the fixed rent terms and the variable rent terms of the Proposed Charter;

(c) *Delivery schedule*: the soonest available delivery schedule of the vessels, in order to allow the Group to procure incremental capacity and capture market opportunities;

(d) *Charter term*: whether the charter term is spread over a long duration, such that the Proposed Charter can allow the Company to procure incremental vessel capacity while at the same time limiting the upfront capital deployment and post-investment project evaluation pressure, and reducing the financial impact of a long-term asset depreciation.

After taking into account the aforesaid factors and upon a comprehensive evaluation of bids, the Board (excluding the independent non-executive Directors) confirmed that the terms provided by Hainan COSCO SHIPPING Development under the Charter Party are fair and reasonable, and no less favorable than the terms provided by independent third parties of the Group in relation to similar vessel leasing services.

For further details regarding the rental amount, please refer to the sub-section headed "*Charter Party — Rental amount*" in this Letter from the Board.

Liquidated Damages:	Any liquidated damages for (i) physical defects or deficiencies; (ii) delay in delivery under the shipbuilding contract; and (iii) any costs incurred in pursuing a claim therefor, shall be distributed between Hainan COSCO SHIPPING Development and Pan Cosmos on an agreed basis.
Option to Sell:	Hainan COSCO SHIPPING Development has the option to sell the Chartered Vessels at any time after 5 years from the delivery of the Vessel, provided such sale is mutually agreed by Hainan COSCO SHIPPING Development and Pan Cosmos. In the event that such aforesaid sale has completed, the Charter Party shall be terminated accordingly, and the profits generated from such sale shall be distributed between the parties to the Charter Party on an agreed basis. The Company endeavours to comply with Chapter 14A of the Hong Kong Listing Rules at all times, and will seek to comply with the relevant requirements of the Hong Kong Listing Rules as and when appropriate.
Effectiveness of the Charter Party:	The effectiveness of the Charter Party is subject to the satisfaction of the condition that both contracting parties having 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 the 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 sub-section headed "IV. *Charter Party – Lease arrangements and period*" set out above in this Letter from the Board.

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, hereinafter referred to as the "**Fixed Lease Payments**"). Such average daily rent was calculated by taking the summation of (i) fixed rent of three (3) Chartered Vessels which are subject to Fixed Lease Payments; and (ii) guaranteed daily rent of three (3) Chartered Vessels which are subject to Variable Lease Payments, divided by six (6), being the total quantity of the Chartered Vessels.

(2) Variable Rent Terms

The variable lease payments (hereinafter referred to as the "**Variable Lease Payments**") of the three (3) vessels are linked to the Time Charter Equivalent (TCE) of the 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 guaranteed fixed daily rent;

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

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

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

The annual rent expected to be incurred for six (6) vessels after delivery will be between RMB296 million (excluding taxes and fees, as calculated by multiplying RMB134,871 with the number of calendar days in a year and the number of the Chartered Vessels) and RMB427 million (excluding taxes and fees, as calculated by summing RMB296 million with RMB131 million) based on spot market freight rate, and taking into account the potential rent adjustments as detailed above. 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. Such maximum annual amount was calculated based on (i) the rate of TD3C-TCE in 2020 which is the highest historical rate since 2017; (ii) an upward adjustment of 10% to 20% as a buffer, which is comparable with the compound annual growth rate of TD3C-TCE, so as to account and cater for market expectations and possible fluctuations for the long lease term of 20 years.

Such calculation for the annual rent is for illustrative purposes only and subject to the fluctuation in the actual TD3C-TCE. In the event that the Company anticipates the maximum annual amount for the Variable Lease Payments will be exceeded, the Company will, if necessary, re-comply with the applicable provisions of Chapter 14A of the Hong Kong Listing Rules regarding continuing connected transaction(s).

On the below basis together with the reasons for and benefits of the Proposed Charter elaborated in the sub-section headed "*Reasons For and Benefits of the Proposed Charter*" in this Letter from the Board, the Board (excluding the independent non-executive Directors) considered that the Proposed Charter (including the proposed hybrid structure, the fixed rent terms and the variable rent terms) are fair and reasonable and in the interest of the Company and its shareholders:

(a) The adoption of a balanced portfolio structure comprising three (3) vessels under a fixed bareboat charter rate and three (3) vessels under a floor rate with profit-sharing mechanism could balance the uncertainty of future market fluctuations.

Currently, rental structures of mainstream operating lease projects are mainly divided into two types: fixed rental, or guaranteed minimum revenue sharing. Fixed rental module covers a future lease term with a fixed cost, allowing full enjoyment of the full revenue during a market upturn. On the other hand, guaranteed minimum revenue sharing module helps a lessee to mitigate the risk of market revenue fluctuations and can help to control or limit losses to a certain extent during a market downturn.

After a balance of considerations regarding potential uncertainty from future market fluctuations, upon thorough consultation with the relevant business unit of the Group, the Company has adopted the hybrid and balanced combination module of "fixed bareboat charter rental for 3 vessels" + "guaranteed minimum revenue sharing rental for 3 vessels".

(b) As stated in the Circular, all pricing factors (rental rates, coefficients and constants in the revenue-sharing formula) were determined through arms' length negotiation based on newbuilding prices and third-party market quotations.

Upon due and careful evaluation, the Company considered that the leasing module is more cost-effective than the acquisition module, as the lessor Hainan COSCO Shipping Development is essentially sharing the risk with the Company in the Proposed Charter.

Based on the newbuilding prices and the estimated long-term market rental rate, the Company estimated the pooled internal rate of return ("**PIRR**") for a self-invested construction project to be far below the Company's customary project investment floor PIRR.

As an alternative and as disclosed in the above sub-section headed "*The Charter Party — Pricing Terms*", the Proposed Charter, through adopting a long-term hybrid lease, not only allows the Group to reduce the upfront capital deployment and post-investment project evaluation pressure, but also mitigates the Group's overall exposure to potential losses during periods of market downturn through a floating rental structure. The hybrid structure also reduces the financial impact of long-term asset depreciation, and optimizes the Company's capital structure and operational flexibility. Therefore, in comparison with any self-investment and construction of vessels, the operating lease option offer much greater flexibility for the Group to acquire and control shipping capacity, optimize resource allocation, improve capital efficiency, and serves the purpose at enhancing the Group's resilience to risk.

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 (i) an estimated total amount of RMB4.78 billion for the Chartered Vessels, and (ii) an estimated average amount of RMB797 million per vessel, which are calculated based on the prevailing interest rate of 2.22% of the 20-year treasury bonds. The exact amount is subject to determination 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 such 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 Charter Party 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 date prior to the publication of the relevant announcement on 30 October 2025, which is considered as a reasonable period as those transactions are entered into within one year of the date of the relevant 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, 8 comparable transactions with lease terms exceeds three years (i.e. ranging from 60 months to 240 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
26-Aug-25	COSCO SHIPPING Development Co., Ltd & Independent third party	2866	LNG vessel	240 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
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

Date of announcement	Parties involved	Stock code	Leased Assets	Duration of lease
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.

Based on the above, the lease terms under the Charter Party is comparable to that of the comparables. In addition, having taken 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, respectively, the Independent Financial Adviser therefore consider that it is normal business practice for the Charter Party to be of a lease term of 240 months.

II. 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.

(5) Adapting to Market Trends and Planning for Future Growth

The global crude oil trade landscape continues to evolve, with increased exports from regions such as Brazil, West Africa, and the US Gulf Coast creating potential demand for VLCC transportation. The proposed bareboat charter will help the Group supplement and optimize its capacity structure, allowing it to better seize future market opportunities and provide support for long-term profitability.

(6) Comprehensive Considerations for Choosing the Bareboat Charter Model

Choosing to charter vessels represents the optimal strategy for the Group to balance capacity development and financial stability in the current environment. Replacing a one-off capital expenditure of approximately RMB5.0868 billion (i.e., the total cost of new shipbuilding) with long-term, stable rental payments optimizes the Company's cash flow management and maintains financial flexibility. Furthermore, the Company recently completed the issuance of its A shares under a special mandate. Against this backdrop, using bareboat chartering instead of equity financing for new shipbuilding investment can effectively avoid further dilution of earnings per share in the short-term, which in turn is in the interest of the Shareholders as a whole.

(7) Comparaive Advantage in Delivery Time

Given the current active global new shipbuilding market and the fact that VLCC new ship delivery schedules have generally extended to 2029, the delivery time of the Chartered Vessels (being April 2027 to November 2028) allows the Company to procure incremental capacity earlier and seize market opportunities.

As disclosed above, the Charter Party has a term that covers most of the Chartered Vessels' economic life. The "LNG/methanol fuel READY" design of the Chartered Vessels provides the Group with strategic flexibility to address uncertainties in the future fuel market and technical regulations. However, this configuration may, to a certain extent, confine the current technology path of the Chartered Vessels. Save as aforesaid, there are no other disadvantages to the Charter Party and the Proposed Charter contemplated thereunder.

Having considered the above factors together with considerations set forth in the sub-section headed "*The Charter Party — Rental Amount*" in this Letter from the Board, the basis for determining the charter hire payable under the Proposed Charter, and the opinion of the Independent Financial Adviser set out in this circular, 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 that the Proposed Charter (including the terms of the Charter Party) is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

III. 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.

Waiver from Strict Compliance with Rule 14A.70(13) of, and Paragraph 43(2)(c) of Appendix D1B to the Hong Kong Listing Rules

The Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 14A.70(13) of and paragraph 43(2)(c) of Appendix D1B to the Hong Kong Listing Rules (the "**Waiver**"), so that certain sensitive information may be redacted from the Charter Party to be published on the websites of the Hong Kong Stock Exchange and the Company.

The Hong Kong Stock Exchange has granted the Waiver to the Company, which allows the Company to redact certain sensitive commercial information relating to (a) the detailed description of, and formula for, the charter hire per calendar day for the Chartered Vessels to be leased under the Chartered Party; (b) the distribution ratio for liquidated damages in the event of any physical defects or deficiencies, or delay in delivery under the shipbuilding contract, and any costs incurred in pursuing a claim therefor; as well as (c) the distribution ratio for sale proceeds in the event that the parties to the Charter Party mutually agree to sell the Chartered Vessels (collectively, the "**Sensitive Commercial Information**") on the basis that:

(i) *Public disclosure of Sensitive Commercial Information will severely undermine the interests of the Company and the Shareholders. In particular:*

Pan Cosmos is contractually obligated to preserve the confidentiality of the terms of the Charter Party in particular by not disclosing such terms to any third party without the explicit prior approval of the relevant owner, and Hainan COSCO SHIPPING Development has not agreed to the disclosure of the Sensitive Commercial Information and has instead strongly requested for confidential treatment of this information, failing of which the Group may be exposed to potential claims by counterparty. Since no consent was given, the Requested Waiver is necessary for the Company to preserve the existing relationship (and any future collaboration) between the Group and such lessor, who have the capabilities to provide the competitive shipleasing services on terms satisfactory to the Group.

The Group's commercial bargaining power, its competitive positions within the industry as well as and its ability to source quality vessels from other potential counterparties in the future will be severely undermined by virtue of the disclosure of the Sensitive Commercial Information. Hainan COSCO SHIPPING Development's ability to negotiate for better commercial pricing terms, its bargaining power and competitive positions within the industry will also be severely impacted. Since such terms either directly involve or indirectly reflect other highly sensitive commercial arrangement between the Group and the lessor under the Charter Party, public disclosure thereof would (i) adversely affect the respective parties' competitive positions in the market and (ii) also severely undermine the Group's ability to secure similar or more favourable shipleasing terms from the respective parties and/or other shipbuilders or leasing companies who are wary of the public disclosure requirements.

(ii) *Disclosure of Sensitive Commercial Information does not provide additional meaningful information which is necessary for the Independent Shareholders' and the Shareholders' informed assessment of the Proposed Charter.*

In addition, the material terms under the Charter Party have been summarized and disclosed in this circular, from which the Shareholders and/or Independent Shareholders will be able to have sufficient information to assess, and make an informed decision as to how to vote for the Charter Party and the acquisition of right-of-use assets constituted thereunder.

Accordingly, only the redacted versions of each of the Charter Party will be published by the Company on the websites of the Hong Kong Stock Exchange and the Company as documents on display, for a period of 14 days from the date of this circular.

IV. 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.

V. LISTING RULES IMPLICATIONS

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 Charter Party 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 Latest Practicable Date, 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 Charter Party 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 Charter Party exceeds 5%, the Charter Party and the Fixed Lease Payments contemplated thereunder constitute a discloseable and connected transaction of the Company which are subject to the notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules, as well as 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 Charter Party 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 Charter Party 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 Charter Party and the Proposed Charter 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 "*The Charter Party – Independent Financial Adviser's opinion on the term*" above in this Letter from the Board.

VI. 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.

The Independent Financial Adviser has been appointed to advise and make recommendation to the Independent Board Committee and the Independent Shareholders as to whether the terms in respect the Charter Party, are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business, and whether they are in the interests of the Company and its Shareholders as a whole in accordance with Rule 14A.40 of the Hong Kong Listing Rules.

VII. DIRECTORS' CONFIRMATION

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 resolution(s) approving the Charter Party and the transactions contemplated thereunder. Save as disclosed above, no other Directors have a material interest in the Charter Party, and therefore no other Directors have abstained from voting on the relevant Board resolution(s).

VIII. PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR

As disclosed in the announcement of the Company dated 17 November 2025, the Board proposed to appoint Ms. MA Yuanru ("**Ms. MA**") as a non-executive Director of the Company. According to the Articles of Association, the proposed appointment of Ms. MA is subject to the approval by the Shareholders at the general meeting of the Company. The ordinary resolution in relation to the proposed appointment of Ms. MA will be proposed at the EGM. The biographical details of Ms. MA are as follows:

Ms. MA Yuanru, born in July 1973, holds a master's degree in business administration of Tsinghua University. She is currently the general manager of China Reform Development Investment Management Co., Ltd. (國新發展投資管理有限公司), a director of China Reform Securities Co., Ltd., a director of CECEP Environmental Protection Co., Ltd. (stock code: 300140.SZ) and a director of Huaneng Renewables Corporation Limited. She successively served as the deputy general manager of the NPA investment department of the Bank of China Group Investment Limited, the general manager of Guangzhou Yinhui Assets Service Co., Ltd. (廣州銀暉資產服務有限公司) and the deputy general manager of the Bank of China Cinda Asset Management Co., Ltd.

Subject to the approval of the Shareholders of the proposed appointment of Ms. MA at the shareholders' meeting, Ms. MA will enter into a service contract with the Company for a term of service commencing from the date of passing of the relevant resolution at the shareholders' meeting of the Company until the end of the term of the current session of the Board and will be subject to retirement and re-election at the shareholders' meetings of the Company in accordance with the Articles of Association. Pursuant to such proposed service contract, Ms. MA will not receive any remuneration from the Company as a non-executive Director.

Save as disclosed above, as at the Latest Practicable Date, Ms. MA (i) did not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company; (ii) did not have any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance; (iii) did not hold any other directorships in public companies the securities of which

are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group.

Save as disclosed in this circular, there are no other matters that need to be brought to the attention of the Shareholders in connection with the proposed appointment of Ms. MA and there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

IX. EGM

The EGM will be held at 3rd Floor, Ocean Hotel, No. 1171 Dongdaming Road, Hongkou District, Shanghai, the People's Republic of China on Tuesday, 23 December 2025 at 10:00 a.m. for the purpose of considering, and if thought fit, approving (i) the Charter Party and the acquisition of right-of-use assets contemplated thereunder; and (ii) the proposed appointment of a non-executive Director. A notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you are able to attend the above meetings, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event by not less than 24 hours before the time appointed for the holding of such meetings or any adjournment thereof (i) in case of H Shareholders, to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, (ii) in case of A Shareholders, to the Office of the Board of Directors of the Company at 7th Floor, 670 Dongdaming Road, Hongkou District, Shanghai, the People's Republic of China. Completion and return of the form of proxy will not preclude you from attending and voting in person at the above meetings or at any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of the Shareholders to be taken at the EGM shall be taken by poll. An announcement of the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

In accordance with the Hong Kong Listing Rules, any Shareholder who has a material interest in the Charter Party and the acquisition of right-of-use assets contemplated thereunder shall abstain from voting on the corresponding resolution at the EGM. As at the Latest Practicable Date, 1,536,924,595 A Shares were directly held by COSCO SHIPPING and 1,026,369,981 A Shares were held by China Shipping (a wholly-owned subsidiary of COSCO SHIPPING). Therefore, COSCO SHIPPING and its associates 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. Accordingly, COSCO SHIPPING, China Shipping and their respective associates and persons participating in or interested in the Charter Party and the acquisition of right-of-use assets contemplated thereunder are required to abstain from voting on the corresponding resolution to be proposed at the EGM.

Save for the aforesaid, to the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, no other Shareholder has a material interest in the Charter Party and the acquisition of right-of-use assets contemplated thereunder and is required to abstain from voting on the approval of the relevant resolution at the EGM.

X. CLOSURE OF REGISTER OF MEMBERS

For determining the H Shareholders who are entitled to attend and vote at the EGM, the H share register of members of the Company will be closed from Thursday, 18 December 2025 to Tuesday, 23 December 2025, both days inclusive, during which period no transfer of the H Shares will be effected. The H Shareholders whose names appear in the register of members of the Company on Tuesday, 23

December 2025 are entitled to attend and vote at the EGM. In order to qualify for the entitlement to attend and vote at the EGM, all transfer documents accompanied by relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 17 December 2025.

XI. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 22 of this circular and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 23 to 36 of this circular in connection with the Charter Party and the acquisition of right-of-use assets contemplated thereunder, and the principal factors and reasons considered by the Independent Financial Adviser in arriving at such advice.

The Independent Board Committee, having considered the terms of the Charter Party and the acquisition of right-of-use assets contemplated thereunder, and the advice of the Independent Financial Adviser, are of the opinion that the Charter Party and the acquisition of right-of-use assets contemplated thereunder is in the ordinary and usual course of business of the Group, the Charter Party and the acquisition of right-of-use assets contemplated thereunder is entered into on normal commercial terms or better and is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the corresponding resolution to approve the Charter Party and the acquisition of right-of-use assets contemplated thereunder.

Based on the information as set out in this circular, the Directors consider that the terms of the Charter Party and the acquisition of right-of-use assets contemplated thereunder are fair and reasonable, and in the interests of the Company and its Shareholders as a whole, and recommend the Independent Shareholders (or the Shareholders, as appropriate) to approve the corresponding resolution(s) to be proposed at the EGM.

XII. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
Ren Yongqiang
Chairman

* *For identification purposes only*

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)

5 December 2025

To the Independent Shareholders

Dear Sir or Madam,

(1) DISCLOSEABLE AND CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION REGARDING THE CHARTER PARTY; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

We refer to the circular of the Company dated 5 December 2025 (the "**Circular**") in relation to, among other things, the Charter Party and the acquisition of right-of-use assets contemplated thereunder, of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

THE CHARTER PARTY AND THE ACQUISITION OF RIGHT-OF-USE ASSETS CONTEMPLATED THEREUNDER

We have been appointed by the Board to advise the Independent Shareholders as to whether the Charter Party and the acquisition of right-of-use assets contemplated thereunder is entered into on normal commercial terms or better, is fair and reasonable, in the ordinary and usual course of business and in the interests of the Company and the Shareholders as a whole.

Having considered the terms of the Charter Party and the acquisition of right-of-use assets contemplated thereunder and the advice of the Independent Financial Adviser, despite the entering into the Charter Party and the acquisition of right-of-use assets contemplated thereunder is not in the ordinary and usual course of business of the Group, the Independent Board Committee is of the opinion that the Charter Party and the acquisition of right-of-use assets contemplated thereunder is entered into on normal commercial terms or better, is fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favor of the relevant resolution to be proposed at the EGM to approve the Charter Party and the acquisition of right-of-use assets contemplated thereunder.

Yours faithfully,
For and on behalf of the Independent Board Committee

Mr. Victor Huang	**Mr. Li Runsheng**	**Mr. Zhao Jinsong**	**Mr. Wang Zuwen**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*	*Independent non-executive Director*

* *For identification purposes only*

The following is the full text of a letter of advice from Goldlink Capital (Corporate Finance) Limited to the Independent Board Committee and the Independent Shareholders in respect of the Charter Party and the acquisition of right-of-use assets contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.

金聯資本
Goldlink Capital

28/F
Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

5 December 2025

*To: The Independent Board Committee and the Independent Shareholders of COSCO SHIPPING ENERGY TRANSPORTATION CO., LTD.**

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION REGARDING THE CHARTER PARTY

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Charter Party and the acquisition of right-of-use assets contemplated thereunder, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 5 December 2025 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

References are made to the Announcements. On 5 November 2025, the Company announced that Pan Cosmos, a wholly-owned subsidiary of the Company and as charterer/lessee, entered 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 at the Latest Practicable Date, 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) 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 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 Charter Party and the Fixed Lease Payments constitute a one-off connected transaction for the Company.

Pursuant to HKFRS 16, the Group is required to recognize the Chartered Vessels as right-of-use assets, and therefore, in accordance with the Hong Kong Listing Rules, the Charter Party and the Fixed Lease Payments thereunder will be regarded as an asset acquisition by the Group. As the highest applicable percentage ratio in relation to the value of the right-of-use assets under the Charter Party exceeds 5%, the Charter Party and the Fixed Lease Payment contemplated thereunder 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.

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 resolution(s) approving the Charter Party and the transactions contemplated thereunder. Save as disclosed above, no other Directors have a material interest in the Charter Party, and therefore no other Directors have abstained from voting on the relevant Board resolution(s).

The Independent Board Committee (comprising all independent non-executive Directors namely, Mr. Victor Huang, Mr. Li Runsheng, Mr. Zhao Jinsong and Mr. Wang Zuwen) has been formed to advise the Independent Shareholders in relation to the Charter Party and the acquisition of right-of-use assets contemplated thereunder, in accordance with the Hong Kong Listing Rules. We, Goldlink Capital (Corporate Finance) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company and any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. During the past two years, we were appointed as an independent financial adviser for the Company on three occasions. Details of which are set out in its circular dated (i) 2 February 2024 in relation to a discloseable and connected transaction; (ii) 10 December 2024 in relation to certain continuing connected transactions and (iii) 25 March 2025 in relation to connected transaction and discloseable and connected transactions. Furthermore, during the past two years, we were appointed as an independent financial adviser of COSCO SHIPPING Development Co., Ltd.* (中遠海運發展股份有限公司) (the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2866) and the A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601866)), a connected person of the Company, on three occasions. Details of which are set out in its (i) circulars dated (a) 9 October 2024 in relation to discloseable and connected transactions and continuing connected transactions and (b) 5 September 2025 in relation to major and connected transactions; and (ii) announcement dated 30 October 2025 and circular dated 28 November 2025 in relation to major and connected transactions and certain continuing connected transactions.

Notwithstanding the above, the previous engagements with the Company and its connected persons would not affect our independence from the Company as we consider that the professional fees we received were at normal commercial terms and at insignificant sum which should not give rise to a perception that our independence would be so affected. Further, since the commencement of our work as the Independent Financial Adviser and as at the Latest Practicable Date, we (i) do not have any direct or indirect shareholdings in; (ii) are not a close associate or core connected person of; (iii) do not have any financial connections such as any financial guarantee or any amount due from/to (other than with normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser and our aforementioned appointments with the Company and its connected persons) with; (iv) no other current business relationship (save for this appointment as the Independent Financial Adviser and our aforementioned appointments with the Company and its connected persons as independent financial adviser) with; (v) within 2 years prior to commencement of our work as the Independent Financial Adviser, we did not serve as a financial adviser to; and (vi) are not an auditor or reporting accountant to, (a) the Company; (b) COSCO SHIPPING or its subsidiaries and (c) any core connected person of the Company. Accordingly, we are independent of the Company pursuant to Rule 13.84 of the Hong Kong Listing Rules.

BASIS OF OUR OPINION

In arriving at our recommendations, we have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the Company for which they are solely and wholly responsible, are true and accurate at the time they were made and will continue to be accurate as at the Latest Practicable Date. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong 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 the 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 therein or the document misleading.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any material facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group and any parties in relation to the Charter Party and the acquisition of right-of-use assets contemplated thereunder, in accordance with the Hong Kong Listing Rules.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Charter Party and the acquisition of right-of-use assets contemplated thereunder, in accordance with the Hong Kong Listing Rules. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations, we have taken into consideration the following principal factors and reasons:

1. BACKGROUND INFORMATION ON THE PARTIES OF THE CHARTER PARTY

1.1 Background of the Group

The Company is a joint stock company established under the laws of the PRC with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange. The Group is principally engaged in investment holding, oil shipment along the coast of the PRC and internationally, international liquefied natural gas ("**LNG**") shipment, liquefied petroleum gas shipment, chemicals shipment and vessel chartering.

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.

1.2 Financial performance of the Group

Set out below is a summary of the consolidated statements of profit or loss of the Group for each of the two years ended 31 December 2023, 2024 and the six months ended 30 June 2025, which are extracted from the Company's annual reports for the year ended 31 December 2024 (the "**2024 Annual Report**") and the Company's interim report for the six months ended 30 June 2025 (the "**2025 Interim Report**").

	Six months ended 30 June		**Year ended 31 December**	
	2025	**2024**	**2024**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(unaudited)	*(unaudited)* *(restated)*	*(audited)*	*(audited)* *(restated)*
Revenues	11,573,025	11,866,805	23,133,486	22,553,451
Operating costs	(8,910,497)	(8,032,727)	(16,890,079)	(15,965,997)
Gross profit	2,662,528	3,834,078	6,243,407	6,587,454
Profit for the year/period attributable to equity holders of the Company	1,894,278	2,667,653	4,038,089	3,379,203

For the year ended 31 December 2024 ("FY2024")

According to the 2024 Annual Report, revenue of the Group for the FY2024 was approximately RMB23.1 billion, representing an increase of approximately 2.6%, which was mainly due to the increase in revenue from both (i) oil shipping segment of approximately 1.5% due mainly to the increase in revenue from international oil shipping segment of approximately 4.2% to approximately RMB14.5 billion as a result of (a) the Group's effort to continue expanding VLCC fleet to the western markets, seized opportunities to build triangular routes, balanced the layout of eastern and western markets, and maintained the diversification of cargo sources and (b) actively promoted the independent operation of small and medium-sized vessels in the Atlantic market, and put Aframax tankers into operation in the Atlantic region during the year, thereby enhancing the globalization layout of the fleet; and (ii) LNG shipping segment of approximately 22.4% to approximately RMB2.2 billion.

Profit for the year attributable to equity holders of the Company increased from approximately RMB3.7 billion for the year ended 31 December 2023 to approximately RMB4.4 billion for the FY2024, which was mainly attributable to (i) the increase in revenue of approximately 2.6% as discussed above; and (ii) the absence of impairment losses on investment in joint ventures for the FY2024 while approximately RMB984.1 million impairment losses on investment in joint ventures was recorded for the year ended 31 December 2023 as certain joint ventures' operation environment incurred significant changes which have a significant impact on the estimated future returns from the net investment.

For the six months ended 30 June 2025 ("6M2025")

As stated in the 2025 Interim Report, revenue of the Group for the 6M2025 amounted to approximately RMB11.6 billion, representing a decrease of approximately 2.5% as compared to that for the same period in 2024. Such decrease was mainly due to the decrease in revenue of oil shipping of approximately 5.5% as a result of the decrease in revenue in both (i) domestic oil shipping due mainly to the decrease in revenue generated from domestic product oil of approximately 11.6% and (ii) international oil shipping, mainly attributable to the decrease in revenue generated from international product oil of approximately 19.9%.

Profit attributable to equity holders of the Company for the 6M2025 decreased from approximately RMB2.7 billion for the six months ended 30 June 2024 to approximately RMB1.9 billion for the 6M2025. Such decrease was mainly due to (i) the decrease in revenue of approximately 5.5% as discussed above; and (ii) the decrease in gross profit from approximately RMB3.8 billion for the six months ended 30 June 2024 to approximately RMB2.7 billion for the 6M2025, due mainly to the increase oil shipping costs of approximately 9.7% as a result of the increase in (a) port costs due to the expanded self-operated fleet deployment and route network restructuring and (b) charter costs due to the increased time-charter rates of VLCCs and Aframax tankers year-on-year, and the increase in LNG shipping costs due to increases in depreciation, sea crew costs and repair expenses.

1.3 Financial position on the Group

	As at 30 June	As at 31 December	
	2025	2024	2023
	RMB'000	*RMB'000*	*RMB'000*
	(unaudited)	*(audited)*	*(audited)*
			(restated)
Non-current assets	71,832,079	71,506,603	63,713,681
Current assets	12,573,769	9,535,714	9,716,116
Current liabilities	15,200,078	10,220,461	8,968,714
Non-current liabilities	29,401,764	31,836,699	26,499,524
Equity attributable to equity holders of the Company	36,695,048	35,866,909	35,163,407

As at 31 December 2024, total assets of the Group amounted to approximately RMB81.0 billion, representing an increase of approximately RMB7.6 billion as compared to that as at 31 December 2023. Such increase was mainly due to the increase in (i) non-current assets as a result of the increase in property, plant and equipment of approximately RMB3.5 billion, due mainly to the addition of construction in progress in relation to the vessels. As at 30 June 2025, total assets of the Group further increased to approximately RMB84.4 billion from approximately RMB81.0 billion as at 31 December 2024. Such increase was mainly due to the increase in current assets of approximately RMB3.0 billion, mainly because (i) the increase in cash and bank due mainly to the net cash generated from operating activities of approximately RMB3.1 billion.

As at 31 December 2024, total liabilities of the Group amounted to RMB42.1 billion as compared to approximately RMB35.5 billion as at 31 December 2023. The increase in total liabilities was mainly due to the increase in (i) non-current liabilities as a result of the increase in interest-bearing bank and other borrowings of approximately RMB4.0 billion; and (ii) current liabilities as a result of the increase in current portion of interest-bearing bank and other borrowings of approximately RMB595 million. As at 30 June 2025, total liabilities of the Group further increased to approximately RMB44.6 billion as compared to approximately RMB42.1 billion as at 31 December 2024. Such increase was mainly due to the increase in current liabilities of approximately RMB5.0 billion as a result of (i) the increase in current portion of interest-bearing bank and other borrowings of approximately RMB3.7 billion and (ii) other payables and accruals of approximately RMB1.2 billion to approximately RMB2.7 billion.

As a result of the foregoing, the total equity attributable to the equity holders of the Company as at 31 December 2024 and as at 30 June 2025 amounted to RMB35.9 billion and RMB36.7 billion, respectively.

1.4 Background information of 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 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.

2. THE CHARTER PARTY

2.1 Reasons for and benefits of the Charter Party

We have discussed with the management of the Company on the reasons for and benefits of the entering into of the Charter Party and considered the followings:

Implementation of fleet capacity development plan and consolidation of market leading position

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 Charter Party can allow the Group to provide long term and stable energy transportation services. Further, upon our discussion with the management of the Company, we understand 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. In particular, the global crude oil trade landscape continues to evolve, with increased exports from regions such as Brazil, West Africa, and the US Gulf Coast creating potential demand for VLCC transportation. The Proposed Charter will help the Group supplement and optimise its capacity structure, allowing it to better seize future market opportunities and provide support for long-term profitability. Furthermore, as advised by the management of the Company, the current active global new shipbuilding market and the fact that VLCC new ship delivery schedules have generally extended to 2029, the delivery time of the Charter Vessels (being April 2027 to November 2028) allows the Company to procure incremental capacity earlier and seize market opportunities. Therefore, it is the Group's intention to continue the development of its tanker fleet and account the capacity transition of retired vessels, and hence it is necessary to accelerate the renewal and development of the VLCC fleet with an aim to maintain its market leader position. This initiative bolsters the Group's command of VLCC transport capacity, helps preserve its scale advantages in the tanker shipping sector, enhances market competitiveness, and promotes energy supply chain security and sustainable development.

Promoting the development of green and low carbon shipping

As advised by the management of the Company, in order to achieve the goals of carbon peak and carbon neutrality, it is of paramount importance to accelerate the decarbonisation process of both domestic and international oil shipping. As such, it is necessary to take active measures to accelerate the transformation of the fleet's energy structure by retiring old ships which do not meet requirement of low carbon and zero-carbon energy consumption. Based on our review on the Charter Party, we note that the chartered VLCC vessels incorporate advanced technological features including green design, energy efficiency, intelligent systems, and LNG/methanol fuel READY. The management of the Company is of the view that such type of tankers under the Charter Party is able to promote the optimisation and adjustment of the fleet structure to a green and low-carbon direction.

Charter Party facilitate optimal capital structure and cashflow management

Unlike ownership, where unexpected repair or operational costs can arise, long term leasing ensures predictable expenses without the significant capital expenditure required for ownership of approximately RMB5.09 billion (i.e., the total cost of new shipbuilding), which facilitates better budgeting and cash flow management and ensure that financial resources are allocated efficiently, thereby optimising the Company's cash flow structure, enhancing financial flexibility, and improving overall capital utilisation efficiency across the Group. Furthermore, the Company recently completed the issuance of A shares under a special mandate. Against this backdrop, using bareboat chartering instead of equity financing for new shipbuilding investment can effectively avoid further dilution of earnings per share in the short-term, which in turn is in the interest of the Shareholders as a whole.

Establishment of balanced rental mechanism and enhancement of vessel operational resilience

The Charter Party implements a hybrid rental structure comprising three vessels under fixed rental arrangements and three vessels under floor-plus-profit-sharing rental arrangements. Upon discussion with the management of the Company, we understand that this rental structure 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.

Based on the above, we concur with the view of the Directors that the entering into of the Charter Party (i) is an important measure for the Company to implement its fleet development plan which is conducive to serve China's domestic and foreign trade dual circulation and the tanker fleet's continuous improvement of its energy transportation security capabilities; (ii) promoting the development of green and low carbon shipping; (iii) allowing the Group to optimise capital structure and cashflow management as compared to acquisition of vessels; and (iv) establish a balanced rental mechanism and thereby enhancing vessel operational resilience. We therefore are of the view that the entering into of the Charter Party is in the ordinary course of business of the Group and it is in the interests of the Company and the Shareholders as a whole.

2.2 Key terms of the Charter Party

The principal terms of the Charter Party are as follows:

Parties:

(1) Hainan COSCO SHIPPING Development, a connected person of the Company and as owner/lessor; and

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

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. 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:	To select the most competitive bid, the pricing terms of the Charter Party were determined by the Company through methods of price inquiry, comparison and negotiation, based on key commercial factors, 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. During the price inquiry, comparison and negotiation process, the Company invited a total of four (4) independent third-party providers of similar vessel leasing services to submit bids in addition to Hainan COSCO SHIPPING Development. The entire process, which took place across three selection rounds, involved an evaluation of the key commercial factors, including without limitation: (a) *Rental pricing structure*: whether the bidders are able to offer a "fixed + revenue sharing" hybrid module, such that the Group is able to control and limit its risks exposure during periods of market downturn through the floating charter structure (i.e. variable rent terms); (b) *Rental pricing levels*: the average rental costs for both the fixed rent terms and the variable rent terms of the Proposed Charter; (c) *Delivery schedule*: the soonest available delivery schedule of the vessels, in order to allow the Group to procure incremental capacity and capture market opportunities;

(d) *Charter term*: whether the charter term is spread over a long duration, such that the Proposed Charter can allow the Company to procure incremental vessel capacity while at the same time limiting the upfront capital deployment and post-investment project evaluation pressure, and reducing the financial impact of a long-term asset depreciation.

2.3 Fairness and reasonableness on the key terms of the Charter Party

As stated in the Letter from the Board, 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 finalised pursuant to arm's length and fair negotiations between the contracting parties. Set out below are the rental arrangements which 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**"). Such average daily rent was calculated by taking the summation of (i) fixed rent of three (3) Chartered Vessels which are subject to Fixed Lease Payments; and (ii) guaranteed daily rent of three (3) Chartered Vessels which are subject to Variable Lease Payments, divided by six (6), being the total quantity of the Chartered Vessels.

(2) Variable Rent Terms

The variable lease payments (the "**Variable Lease Payments**") of the three (3) vessels are linked to the Time Charter Equivalent (TCE) of the 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 fixed daily rent;

(ii) if such number is higher than the benchmark agreed upon by both parties, the daily rent shall instead 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 public holiday.

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.

The annual rent expected to be incurred for six (6) vessels after delivery will be between RMB296 million (excluding taxes and fees, as calculated by multiplying RMB134,871 with the number of calendar days in a year and the number of the Chartered Vessels) and RMB427 million (excluding taxes and fees, as calculated by summing

RMB296 million with RMB131 million) based on spot market freight rate, and 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. Such maximum annual amount was calculated based on (i) the rate of TD3C-TCE in 2020 which is the highest historical rate since 2017; (ii) an upward adjustment of 10% to 20% as buffer.

In order to assess the fairness and reasonableness of the terms of the Charter Party, we have discussed with the management of the Company and note that the Company has enquired with and obtained quotations from 4 independent leasing companies (the "**Quotations**") on the similar specifications of the Chartered Vessels with identical terms such as lease type and lease terms. We have performed desktop research and understand that those 4 independent leasing companies are the reputable leasing companies in China and are subsidiaries of reputable banks in the PRC. As such, we considered that the Quotations obtained from the 4 independent leasing companies are fair and representative in assessing the fairness and reasonableness of the terms of the Charter Party.

We are given to understand that among the Quotations obtained, one of the leasing companies only provided fixed rent quotations while the remaining 3 leasing companies and Hainan COSCO SHIPPING Development provided quotations on hybrid rental structure. Based on the information provided by the management of the Company, among these 3 quotations with hybrid rental structure obtained from the independent leasing companies and Hainan COSCO SHIPPING Development, the quotation from Hainan COSCO SHIPPING Development is the lowest and hence the Company decided to select Hainan COSCO SHIPPING Development for further negotiations. Regarding fixed rent portion, the final quotation from Hainan COSCO SHIPPING Development is comparable to the one quotation which provided fixed rent. Upon the final negotiations with Hainan COSCO SHIPPING Development, Hainan COSCO SHIPPING Development further adjusted downward the terms of the Charter Party. As a result, the final quotation from Hainan COSCO SHIPPING Development is the lowest among the Quotations and hence the terms offered by Hainan COSCO SHIPPING Development is more favourable than those offered by independent third parties.

Adoption of a balanced rental portfolio structure

We understand that under the Charter Party, the Company propose to adopt a balanced portfolio structure, comprising three (3) vessels under a fixed bareboat charter rate and three (3) vessels under a floor rate with profit-sharing mechanism. As discussed with the management of Company, we understand that fixed rental module covers a future lease term with a fixed cost, allowing full enjoyment of the full revenue during a market upturn. On the other hand, during the market downturn, we understand that the guaranteed minimum revenue sharing module can allow the Group to pay less rent for three vessels and thereby help to control or limit losses to a certain extent. We have reviewed the 2025 Interim Report and understand that the oil shipping industry is highly cyclical and highly volatile, which is highly dependent on trade development, which is closely linked to economic conditions and influenced by geopolitical events. Having taking into consideration that (i) the oil shipping industry is highly cyclical and highly volatile; and (ii) the adoption of hybrid rental structure allows the Group to enjoy a balanced portfolio to cope with the uncertainties faced in oil shipping industry in the future, particularly oil demand and hence freight rates fluctuates with global economic conditions as well as geopolitical events, we therefore,

concur with the view of the Directors' that adoption of the hybrid portfolio structure could balance the uncertainty of future market fluctuations and allow the Company to mitigate the risk of market revenue fluctuations and can help to control or limit losses to a certain extent during a market downturn with an aim to safeguard the interests of the Shareholders.

Annual rents

As mentioned above, based on the actual performance of the TD3C-TCE since 2017 and market expectations and possible fluctuations for the next 20 years, the annual variable rent of the three (3) vessels will not exceed RMB131 million. The annual rent expected to be 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. In assessing the fairness and reasonableness of the annual rents under the Charter Party, we have obtained and reviewed the basis and assumptions adopted as well as the underlying calculations in arriving the annual rent of the Charter Party. Based on our review, we note that the fixed rent portion is calculated based on the proposed daily rent per vessel and the rental period per vessel while the variable rent is calculated based on (i) the estimated daily rent per vessel with reference to (a) historical annual peak rate of TD3C-TCE recorded from 2017 up to the date of relevant announcement and (b) an upward adjustment with a reasonable market expectations for the next 20 years; and (ii) the rental period per vessel. We have also discussed with the management of the Company and we are given to understand that the variable rent is calculated based on (i) the rate of TD3C-TCE in 2020 which is the highest historical rate since 2017; (ii) an upward adjustment of 10% to 20% as a general buffer in order to cater possible fluctuations on market rate under the long lease term of 20 years. The actual amount of annual variable rent is therefore subject to the fluctuation in the actual performance of TD3C-TCE. For the TD3C-TCE considered, we have obtained and reviewed the data provided by the Company which was extracted from the website of Clarkson Research, the global leaders in the provision of data, intelligence and insights across all aspects of shipping and trade. We also note that the general buffer of approximately 10% to 20% is in line with the compound annual growth rate of TD3C-TCE from February 2017 to September 2025. In addition, in light of the upward adjustment to be included in arriving the annual caps for the variable rent, we have reviewed the TD3C-TCE and understand that from 2017 to 2025, the index fluctuated significantly from the low of -24,517 to the high of 300,391. Taking into account of the highly fluctuated TD3C-TCE, which significantly affects the annal variable rent, we therefore are of the view that it is fair and reasonable to include the buffer in arriving the annual cap for the variable rent. In the event that the Company anticipates the maximum annual amount for the Variable Lease Payments will be exceeded, the Company will, if necessary, re-comply with the applicable provisions of Chapter 14A of the Hong Kong Listing Rules regarding continuing connected transaction(s).

Based on above and taking into consideration of the benefits of the Charter Party as discussed in paragraph headed "2.1 Reasons for and benefits of the Charter Party" above, we are of the view that the basis and assumptions adopted as well as the underlying calculations in arriving the Fixed Rent Terms and Variable Rent Term is fair and reasonable so far as the Independent Shareholders are concerned.

Duration of the Charter Party

As stated in the Letter from the Board, 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.

In considering whether it is normal business practice for agreements of a similar nature to the Charter Party to have a term of such duration, we 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, we have 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 announcement in relation to the Charter Party, which is considered as a reasonable period as those transactions are entered into within one year of the date of relevant 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, we have identified, which are exhaustive and representative, 8 comparable transactions with lease terms exceeds three years (i.e. ranging from 60 months to 240 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
26-Aug-25	COSCO SHIPPING Development Co., Ltd & Independent third party	2866	LNG vessel	240 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
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, we have 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); and (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), the 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.

Based on the above, the lease term under the Charter Party is comparable to that of the comparables. In addition, having taken 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, we therefore consider that it is normal business practice for the Charter Party to be of a lease term of 240 months.

After taking into consideration of the above, we concur with the view of the Directors that the terms of the Charter Party and the acquisition of right-of-use assets contemplated thereunder are on normal commercial terms or better, and is fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having taken into account the above-mentioned principal factors and reasons, we are of the view that the Charter Party and the acquisition of right-of-use assets contemplated thereunder is entered in the ordinary and usual course of business of the Group, and is in the interests on the Company and the Shareholders as a whole, and the terms of the Charter Party and the acquisition of right-of-use assets contemplated thereunder are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the corresponding resolution to be proposed at the EGM to approve the Charter Party and the acquisition of right-of-use assets contemplated thereunder.

Yours faithfully,
For and on behalf of
Goldlink Capital (Corporate Finance) Limited
Vincent Cheung
Managing Director

Mr. Vincent Cheung is a licensed person registered with the Securities and Futures Commission and regarded as a responsible officer of Goldlink Capital (Corporate Finance) Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has more than 15 years of experience in corporate finance industry.

* *for identification purposes only*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong 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 herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

(a) As at the Latest Practicable Date, the interests of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Hong Kong Listing Rules were as follows:

Long positions in the shares, underlying shares and debentures of the Company

Name	Nature of interest	Class of Shares[1]	Number of Shares held as at the Latest Practicable Date[2]	Approximate percentage of the number of shares of the relevant class of the relevant associated corporation	Approximate percentage of the total number of issued shares of the relevant associated corporation
Zhu Maijin	Beneficial owner	A	102,980 (L)	0.0025%	0.0019%
Zhao Jinsong	Beneficial owner	H	6,000 (L)	0.0001%	0.0001%

As at the Latest Practicable Date, the total issued share capital of the Company was 5,465,220,839 Shares, of which 1,296,000,000 were H Shares and 4,169,220,839 were A Shares.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, none of the Directors or chief executive of the Company had any interest or short positions in any 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 notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

(b) As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors, no Director was a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Position held in COSCO SHIPPING and/or its subsidiaries
Ren Yongqiang	the General Manager Assistant of China COSCO Shipping Corporation Limited
Zhu Maijin	the chairman and the party secretary of the committee of COSCO SHIPPING Investment Dalian Co., Ltd.
Wang Shuqing	a director of each of COSCO SHIPPING Seafarer Management Co., Ltd. and COSCO SHIPPING (Korea) Co., Ltd.
Wang Wei	A director of each of COSCO SHIPPING Specialized Carriers Co., Ltd. (stock code: 601428.SH), COSCO SHIPPING Bulk Co., Ltd. and COSCO SHIPPING (North America) Co., Ltd., and a supervisor of COSCO SHIPPING Logistics Co., Ltd.
Zhou Chongyi	The deputy general manager of the Financial Management Department and a director of the Financial Service Center of China COSCO SHIPPING Corporation Limited

3. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had any interest in any business, which competes or may compete, either directly or indirectly, with the business of the Group as if each of them was treated as a controlling shareholder of the Company under Rule 8.10 of the Hong Kong Listing Rules.

4. DIRECTORS' INTERESTS IN ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting and which is significant in relation to the business of the Group.

6. DIRECTORS' INTERESTS IN SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract or service agreement with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

7. QUALIFICATIONS OF EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular and whose opinion or advice is contained in this circular:

Name	Qualification
Goldlink Capital (Corporate Finance) Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Goldlink Capital (Corporate Finance) Limited was not beneficially interested in the share capital of any member of the Group, and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Goldlink Capital (Corporate Finance) Limited did not have any direct or indirect interest in any assets which had been, since 31 December 2024 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

As at the Latest Practicable Date, Goldlink Capital (Corporate Finance) Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 5 December 2025 in connection with their advice to the Independent Board Committee and the Independent Shareholders, and reference to its name and opinion in the form and context in which it appears.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and, so far as the Directors were aware, there was no litigation or claim of material importance pending or threatened against any member of the Group.

9. MATERIAL CONTRACTS

As at the Latest Practicable Date, no member of the Group has entered into any material contract (not being contracts entered into in the ordinary course of business of the Group) within the two years immediately preceding the date of this circular.

10. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

11. MISCELLANEOUS

(a) The registered office of the Company is located at Room A-1015, No. 188 Ye Sheng Road, China (Shanghai) Pilot Free Trade Zone Lingang Special Area, the PRC.

(b) The head office and principal place of business of the Company in the PRC is 670 Dongdaming Road, Hongkou District, Shanghai, the PRC.

(c) The place of business of the Company in Hong Kong is Rooms 3601-3602, 36/F West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

(d) The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(e) The secretary of the Company is Ms. Ni Yidan, being a senior economic engineer and a member of The Hong Kong Chartered Governance Institute.

(f) This circular is in both English and Chinese. In the event of inconsistency, the English version of this circular shall prevail over the Chinese version.

12. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (energy.coscoshipping.com) for a period of 14 days from the date of this circular (both days inclusive):

(a) the Charter Party;

(b) the letter from the Independent Board Committee, the text of which is set out in page 22 of this circular;

(c) the letter from the Independent Financial Adviser, the text of which is set out in pages 23 to 36 of this circular; and

(d) the written consent from the Independent Financial Adviser referred to in the paragraph headed "*7. Qualifications of Expert and Consent*" in this Appendix I.

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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**EGM**") of COSCO SHIPPING Energy Transportation Co., Ltd. (the "**Company**") will be held at 10:00 a.m. on Tuesday, 23 December 2025 (or any adjournment thereof) at 3rd Floor, Ocean Hotel, No. 1171 Dongdaming Road, Hongkou District, Shanghai, the People's Republic of China to consider and, if thought fit, pass the following resolutions.

Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 5 December 2025 (the "**Circular**").

ORDINARY RESOLUTIONS

1. To approve, confirm and ratify the Charter Party dated 5 November 2025 and the acquisition of right-of-use assets contemplated thereunder; and to authorize the directors of the Company to exercise all powers which they consider necessary and do such other acts and things and execute such other documents which in their opinion may be necessary or desirable to implement the transactions contemplated under the Charter Party.

2. To consider and approve the appointment of Ms. MA Yuanru as a non-executive Director and the term of her appointment, details of which are set out in the circular.

By Order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
Ren Yongqiang
Chairman

Shanghai, the PRC
5 December 2025

* *For identification purposes only*

Notes:

1. For the purpose of holding the EGM, the register of H Shares members of the Company (the "**Register of Members**") will be closed from Thursday, 18 December 2025, to Tuesday, 23 December 2025 (both days inclusive), during which no transfer of H Shares of the Company will be registered. H Shareholders whose names appear on the Register of Members at the close of business on Tuesday, 23 December 2025 are entitled to attend and vote at the EGM after completing the registration procedures for attending the meeting.

2. In order to be entitled to attend and vote at the EGM, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare Hong Kong Investor Services Limited, the H share registrar of the Company, not later than 4:30 p.m. on Wednesday, 17 December 2025.

3. The address of Computershare Hong Kong Investor Services Limited, the share registrar (for share transfer) for the H shares of the Company is as follows:

   Shops 1712-1716
   17th Floor Hopewell Centre
   183 Queen's Road East
   Wanchai
   Hong Kong

4. Each H Shareholder who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the EGM.

5. The form of proxy must be in writing under the hand of the Shareholder or his/her attorney duly authorized in writing or, if the Shareholder is a legal person, must either be executed under its common seal or under the hand of a legal representative or other attorney duly authorized to sign the same. If the form of proxy is signed by an attorney authorized by the Shareholder, the power of attorney authorizing signature or other documents of authorization must be notarially certified.

6. To be valid, for H Shareholders, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM or any adjournment thereof.

7. Each A Shareholder is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the EGM. Notes 4 to 5 also apply to A Shareholders, except that the form of proxy or other documents of authority must be delivered to the Office of the Board of Directors of the Company, not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof in order for such documents to be valid.

   The details of the Office of the Board of Directors of the Company are as follows:

   7th Floor, 670 Dongdaming Road
   Hongkou District
   Shanghai
   People's Republic of China
   Postal Code: 200080
   Tel: 86 (21) 6596 6666
   Fax: 86 (21) 6596 6160

8. If a proxy attends the EGM on behalf of a shareholder, he/she should produce his/her identity card and the form of proxy signed by the Shareholder or his/her attorney, which specifies the date of its issuance. If a legal person Shareholder appoints its legal representative to attend the EGM, such legal representative should produce his/her identity card and valid documents evidencing his/her capacity as such legal representative. If a legal person Shareholder appoints a company representative other than its legal representative to attend the EGM, such representative should produce his/her identity card and an authorization instrument affixed with the seal of that Shareholder (which is a legal person) and duly signed by its legal representative.

9. The EGM is estimated to last for an hour. Shareholders who attend the EGM in person or by proxy shall bear their own transportation and accommodation expenses.

As at the date of this notice, 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.