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 TRANSACTIONS – SHIPBUILDING CONTRACTS; AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING

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

金聯資本 Goldlink Capital

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 6 to 20 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on page 21 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 22 to 41 of this circular.

A notice convening the EGM to be held on Tuesday, 27 January 2026 at 2:30 p.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-3 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*

9 January 2026

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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)
"Announcement"	the announcement of the Company of the Company dated 12 December 2025 in relation to the Shipbuilding Contracts and the transactions contemplated thereunder
"Articles of Association"	the articles of association of the Company
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"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
"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 vessel price of each vessel, 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 Group"	COSCO SHIPPING and its subsidiaries (excluding the Group)
"COSCO SHIPPING Heavy Industry"	COSCO SHIPPING Heavy Industry Co., Ltd.* (中遠海運重工有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING
"COSCO SHIPPING Heavy Industry (Dalian)"	COSCO SHIPPING Heavy Industry (Dalian) Co., Ltd.* (大連中遠海運重工有限公司), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of COSCO SHIPPING
"COSCO SHIPPING Heavy Industry (Guangdong)"	Guangdong COSCO SHIPPING Heavy Industry Co., Ltd.* (廣東中遠海運重工有限公司), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of COSCO SHIPPING
"COSCO SHIPPING Heavy Industry (Yangzhou)"	COSCO SHIPPING Heavy Industry (Yangzhou) Co., Ltd.* (揚州中遠海運重工有限公司), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of COSCO SHIPPING
"Dalian COSCO Energy"	Dalian COSCO SHIPPING Energy Supply Chain Co., Ltd.* (大連中遠海運能源供應鏈有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"Director(s)"	director(s) of the Company
"DWT"	deadweight ton(s)
"EGM"	the extraordinary general meeting of the Company to be held on Tuesday, 27 January 2026 at 2:30 p.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 Shipbuilding Contracts and the transactions contemplated thereunder
"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 Energy"	COSCO SHIPPING Energy Transportation (Hainan) Co., Ltd.* (海南中遠海運能源運輸股份有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"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 Shipbuilding Contracts and the transactions 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 Shipbuilding Contracts and the transactions 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
"Latest Practicable Date"	6 January 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"m^3"	cubic metre(s)
"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)
"Shipbuilding Contract for LNG dual fuel ethylene carrier"	one shipbuilding contract dated 12 December 2025 entered into between Dalian COSCO Energy and COSCO SHIPPING Heavy Industry (Dalian) for the construction of one LNG dual fuel ethylene carrier with a liquid cargo capacity of 9,000 m^3
"Shipbuilding Contracts"	one Shipbuilding Contract for LNG dual fuel ethylene carrier, two Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers, two Shipbuilding Contracts for LR2 methanol dual fuel product oil/crude oil tankers, two Shipbuilding Contracts for LR1 product oil/crude oil tankers, eight Shipbuilding Contracts for MR product oil/crude oil tankers and four Shipbuilding Contracts for MR crude oil tankers
"Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers"	four shipbuilding contracts dated 12 December 2025 entered into between Hainan COSCO Energy and COSCO SHIPPING Heavy Industry (Yangzhou) for the construction of two Aframax methanol dual fuel crude oil tankers with a deadweight of 114,200 DWT each and two LR2 methanol dual fuel product oil/crude oil tankers with a deadweight of 109,900 DWT each
"Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers"	fourteen shipbuilding contracts dated 12 December 2025 entered into between the Company and COSCO SHIPPING Heavy Industry (Dalian) for the construction of two LR1 product oil/crude oil tankers, three MR product oil/crude oil tankers and four MR crude oil tankers, and between the Company and COSCO SHIPPING Heavy Industry (Guangdong) for the construction of five MR product oil/crude oil tankers
"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

"Target Shipyards"	Collectively, COSCO SHIPPING Heavy Industry (Dalian), COSCO SHIPPING Heavy Industry (Yangzhou) and COSCO SHIPPING Heavy Industry (Guangdong)
"%"	per cent

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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)

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

Non-executive Directors:
WANG Shuqing
WANG Wei
ZHOU Chongyi
MA Yuanru

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

9 January 2026

To the Shareholders

Dear Sir/Madam,

(1) DISCLOSEABLE AND CONNECTED TRANSACTIONS – SHIPBUILDING CONTRACTS; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

Reference is made to the Announcement of the Company dated 12 December 2025 in relation to the Shipbuilding Contracts and the transactions contemplated thereunder.

On 12 December 2025, the Group entered into the Shipbuilding Contracts with COSCO SHIPPING Heavy Industry (Dalian), COSCO SHIPPING Heavy Industry (Yangzhou) and COSCO SHIPPING Heavy Industry (Guangdong) for the construction of one ethylene carrier and eighteen oil tankers at an aggregate consideration of RMB7,882 million.

* *For identification purposes only*

The EGM will be convened by the Company for the relevant Shareholders to consider and approve the Shipbuilding Contracts and the transactions contemplated thereunder.

The purpose of this circular is to provide you with further information on the Shipbuilding Contracts and the transactions contemplated thereunder so that you may make an informed decision on voting in respect of the relevant resolutions at the EGM.

II. SHIPBUILDING CONTRACT FOR LNG DUAL FUEL ETHYLENE CARRIER

The principal terms of the Shipbuilding Contract for LNG dual fuel ethylene carrier are set out below:

Date

12 December 2025

Parties

(1) Dalian COSCO Energy (as the buyer); and

(2) COSCO SHIPPING Heavy Industry (Dalian) (as the builder and seller).

Subject matter

Pursuant to the Shipbuilding Contract for LNG dual fuel ethylene carrier, COSCO SHIPPING Heavy Industry (Dalian) has agreed to design, build, equip, launch and complete at the shipyard, and sell and deliver to Dalian COSCO Energy, and Dalian COSCO Energy has agreed to purchase and take delivery of the carrier.

The carrier

The carrier is an LNG dual fuel ethylene carrier with a guaranteed deadweight of 7,500 DWT at structural draught and liquid cargo capacity of 9,000 m^3.

Consideration and payment terms

Pursuant to the Shipbuilding Contract for LNG dual fuel ethylene carrier, the consideration for the carrier is RMB327.98 million. The consideration (being the vessel price of the carrier) is payable by Dalian COSCO Energy to COSCO SHIPPING Heavy Industry (Dalian) in five instalments of 5%, 30%, 2.5%, 2.5% and 60%, based on the shipbuilding progress (including the execution of the contract, commencement of the construction, keel laying, ship launching and ship delivery respectively).

The consideration for the carrier may be adjusted based on (i) if there is postponement in carrier delivery date or failure in the carrier's condition (including the speed, fuel consumption, deadweight tonnage and liquid cargo capacity) to meet the contractual standards, a reduction in contractual price shall apply accordingly; or (ii) if the performance deviation exceeds (for fuel consumption) or is below (for speed, deadweight tonnage and liquid cargo capacity) the permitted contractual range, the buyer shall have the right to refuse acceptance of the carrier. The above adjustments shall be made together with the fifth instalment payment. The consideration for the carrier is not subject to any upward adjustment mechanism pursuant to the Shipbuilding Contract for LNG dual fuel ethylene carrier.

The Shipbuilding Contract for LNG dual fuel ethylene carrier provides that there will be no adjustment in the price of the tanker if the delivery is delayed for a period not exceeding 30 days ("**Grace Period**"). Under the Shipbuilding Contract for LNG dual fuel ethylene carrier, delay will be permitted on account of force majeure events.

If the delay exceeds the Grace Period but does not exceed 210 days (being the number of days including the Grace Period but excluding the days allowed for delay under force majeure events therein prescribed under the Shipbuilding Contract for LNG dual fuel ethylene carrier) ("**210 Prescribed Days**") or 255 days (being the number of days including the Grace Period and the days allowed for delay under force majeure events together with any other days which are not allowed for delay therein prescribed under the Shipbuilding Contract for LNG dual fuel ethylene carrier) ("**255 Prescribed Days**") respectively, there will be a reduction in the price of the carrier determined on the basis of the extent of the delay. For the avoidance of doubt, the said reduction in the price as a result of the delay will be calculated based on a daily reduction rate of RMB36,000 per day, subject to a maximum aggregate amount of reduction of RMB6,480,000 in respect of the carrier.

If the delay exceeds 210 Prescribed Days or 255 Prescribed Days respectively, unless the parties agree otherwise, Dalian COSCO Energy has the right to refuse to accept delivery of the carrier in which case all payments paid under the Shipbuilding Contract for LNG dual fuel ethylene carrier together with interests will be refunded to Dalian COSCO Energy.

There will be other downward adjustments in price of the carrier if its performance (such as speed, deadweight tonnage, fuel consumption rate and liquid cargo capacity) does not satisfy certain agreed benchmarks (as the case may be). However, should the relevant performance exceed or fall below certain agreed benchmark, Dalian COSCO Energy has the right to refuse delivery of the carrier or accept the carrier with a reduced contract price. The maximum aggregate amount of reduction in the price in relation to speed, deadweight tonnage, fuel consumption rate and liquid cargo capacity is RMB1,750,000, RMB800,000, RMB800,000 and RMB1,639,900, respectively for the carrier.

The consideration was determined after arm's length negotiations between Dalian COSCO Energy and COSCO SHIPPING Heavy Industry (Dalian) with reference to the market price for the construction of the same specifications of the carrier by two independent ship builders in the market and COSCO SHIPPING Heavy Industry (Dalian) respectively, the final quotation from COSCO SHIPPING Heavy Industry (Dalian), including the price and the terms on payment, adjustment(s) and delivery schedules, is more favourable than the two other quotations from the independent ship builders.

In the course of negotiating the consideration for the carrier, to reach the final terms of the Shipbuilding Contract for LNG dual fuel ethylene carrier, the Group sent enquiries to four shipyards in the PRC at the beginning and subsequently only received quotations from three of them (including the two independent ship builders and COSCO SHIPPING Heavy Industry (Dalian), which are exhaustive, as the remaining shipyard could not satisfy the technical parameter requirements of the carrier, The Group selected the target shipyard based on respective shipbuilding capacity, dock availability, delivery date, price and other factors of the shipyards with feedback offers, and conducted several rounds of negotiation with the target shipyard in respect of the technical and commercial aspects.

The consideration will be funded by Dalian COSCO Energy as to approximately 70% by external financing (including bank borrowings) and approximately 30% by internal financial resources. The Group anticipates to commence negotiations for the said bank borrowings following the Shareholders' Meetings.

Delivery

The delivery of the carrier is expected to take place by (or before) the end of October 2027.

III. SHIPBUILDING CONTRACTS FOR AFRAMAX METHANOL DUAL FUEL CRUDE OIL TANKERS AND LR2 METHANOL DUAL FUEL PRODUCT OIL/CRUDE OIL TANKERS

The principal terms of the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers are set out below:

Date

12 December 2025

Parties

(1) Hainan COSCO Energy (as the buyer); and

(2) COSCO SHIPPING Heavy Industry (Yangzhou) (as the builder and seller).

Subject matter

Pursuant to the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers, COSCO SHIPPING Heavy Industry (Yangzhou) has agreed to design, build, launch, equip and complete at the shipyard, and sell and deliver to Hainan COSCO Energy, and Hainan COSCO Energy has agreed to purchase and take delivery of the tankers.

The tankers

The tankers are two Aframax methanol dual fuel crude oil tankers with a guaranteed deadweight of 114,200 DWT at structural draught each and two LR2 methanol dual fuel product oil/crude oil tankers with a deadweight of 109,900 DWT at structural draught each.

Consideration and payment terms

Pursuant to the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers, the consideration for each of the Aframax methanol dual fuel crude oil tankers is RMB610 million, and the aggregate consideration for the two tankers is RMB1,220 million. The consideration for each of the LR2 methanol dual fuel product oil/crude oil tankers is RMB630 million, and the aggregate consideration for the two tankers is RMB1,260 million. The consideration for each of the tankers is payable by Hainan COSCO Energy to COSCO SHIPPING Heavy Industry (Yangzhou) in five instalments of 20%, 10%, 10%, 10% and 50%, based on the shipbuilding progress (including the execution of the contract, commencement of the construction, keel laying, ship launching and ship delivery respectively).

The consideration for each tanker may be adjusted under the following circumstances: (i) if the delivery date of the tanker is delayed or the condition of the tanker (including speed, fuel consumption, and deadweight tonnage) fails to meet the standards as stipulated in the relevant contract, the contract price shall be reduced accordingly; or (ii) should the performance deviation exceed (for fuel consumption) or fall below (for speed and deadweight tonnage) the limits allowed by the contract, the buyer shall have the right to refuse to accept the tanker. The above adjustments shall be made together with the fifth instalment payment.The consideration for each tanker is not subject to any upward adjustment mechanism pursuant to the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers.

Each of the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers provides that there will be no adjustment in the price of the relevant tankers if the delivery is delayed for a period not exceeding 30 days ("**Grace Period**"). Under the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers, delay will be permitted on account of force majeure events.

If the delay exceeds the Grace Period but does not exceed 210 days (being the number of days including the Grace Period but excluding the days allowed for delay under force majeure events therein prescribed under the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers) ("**210 Prescribed Days**") or 270 days (being the number of days including the Grace Period and the days allowed for delay under force majeure events together with any other days which are not allowed for delay therein prescribed under the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers) ("**270 Prescribed Days**") respectively, there will be a reduction in the price of the relevant tankers determined on the basis of the extent of the delay. For the avoidance of doubt, the said reduction in the price as a result of the delay will be calculated based on a daily reduction rate of RMB63,000 per day, subject to a maximum aggregate amount of reduction of RMB11,340,000 in respect of each tanker pursuant to each of the shipbuilding contracts for Aframax methanol dual fuel crude oil tankers, and on a daily reduction rate of RMB65,000 per day, subject to a maximum aggregate amount of reduction of RMB11,700,000 in respect of each tanker pursuant to each of the shipbuilding contracts for LR2 methanol dual fuel product oil/crude oil tankers, respectively.

If the delay exceeds 210 Prescribed Days or 270 Prescribed Days respectively, unless the parties agree otherwise, Hainan COSCO Energy has the right to refuse to accept delivery of the relevant tankers in which case all payments paid under the relevant Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers together with interests will be refunded to Hainan COSCO Energy.

There will be other downward adjustments in price of the relevant tankers if their performance (such as speed, deadweight tonnage, fuel consumption rate) does not satisfy certain agreed benchmarks (as the case may be). However, should the relevant performance exceed or fall below certain agreed benchmark, Hainan COSCO Energy has the right to refuse delivery of the relevant tankers or accept the relevant tankers with a reduced contract price. The maximum aggregate amount of reduction in the price in relation to speed, deadweight tonnage and fuel consumption rate is approximately RMB2,317,000, RMB4,400,000 and RMB1,845,000, respectively for each Aframax methanol dual fuel crude oil tanker, and approximately RMB2,391,000, RMB4,600,000 and RMB1,900,000, respectively for each LR2 methanol dual fuel product oil/crude oil tanker.

Despite the proposed delivery period provided by COSCO SHIPPING Heavy Industry (Yangzhou) is slightly inferior to the delivery period offered by a ship builder regarding the construction of the LR2 methanol dual fuel product oil/crude oil tankers, having considered that (i) the pricing terms from COSCO SHIPPING Heavy Industry (Yangzhou) is the lowest; (ii) same payment structure as compared to the quotations from the two independent ship builders; (iii) the track record of construction of Aframax/LR2 oil tankers by COSCO SHIPPING Heavy Industry (Yangzhou); and (iv) COSCO SHIPPING Heavy Industry (Yangzhou) has been providing shipbuilding services to the Group for years which resulted in better and more efficient communication with the Group as compared with other independent ship builders, the Company considers those factors outweighs and hence decides to select COSCO SHIPPING Heavy Industry (Yangzhou) as the preferred shipyard for the next round of competitive negotiations.

The consideration was determined after arm's length negotiations between Hainan COSCO Energy and COSCO SHIPPING Heavy Industry (Yangzhou) with reference to the market price for the construction of the same specifications of the oil tankers by two independent ship builders in the market and COSCO SHIPPING Heavy Industry (Yangzhou) respectively, the final quotation from COSCO SHIPPING Heavy Industry (Yangzhou), including the price, is more favourable than the two other quotations from the independent ship builders.

In the course of negotiating the consideration for the tankers, to reach the final terms of the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers, the Group sent enquiries to three shipyards in the PRC (including the two independent ship builders and COSCO SHIPPING Heavy Industry (Yangzhou)), which are exhaustive, selected the target shipyard based on respective shipbuilding capacity, dock availability, delivery date, price and other factors of the shipyards with feedback offers, and conducted several rounds of negotiation with the target shipyard in respect of the technical and commercial aspects.

The consideration will be funded by Hainan COSCO Energy as to approximately 80% by external financing (including bank borrowings or financial leasing) and approximately 20% by internal financial resources. The Group anticipates to commence negotiations for the said bank borrowings following the Shareholders' Meetings.

Delivery

The delivery of the two Aframax methanol dual fuel crude oil tankers is expected to take place by (or before) 15 October 2028 and 15 December 2028, respectively.

The delivery of the two LR2 methanol dual fuel product oil/crude oil tankers is expected to take place by (or before) the end of February 2029 and the end of May 2029, respectively.

IV. SHIPBUILDING CONTRACTS FOR LR1, MR PRODUCT OIL/CRUDE OIL TANKERS AND MR CRUDE OIL TANKERS

The principal terms of the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers are set out below:

Date

12 December 2025

Parties

(1) The Company (as the buyer); and

(2) COSCO SHIPPING Heavy Industry (Dalian) (as the builder and seller of two LR1 product oil/ crude oil tankers, three MR product oil/crude oil tankers and four MR crude oil tankers); and

(3) COSCO SHIPPING Heavy Industry (Guangdong) (as the builder and seller of five MR product oil/crude oil tankers).

Subject matter

Pursuant to the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers, COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong) have agreed to design, build, launch, equip and complete at the shipyard, and sell and deliver to the Company, and the Company has agreed to purchase and take delivery of the tankers.

The tankers

The tankers are two LR1 product oil/crude oil tankers with a guaranteed deadweight of 74,000 DWT at structural draught each, and eight MR product oil/crude oil tankers and four MR crude oil tankers with a guaranteed deadweight of 49,000 DWT at structural draught each.

Consideration and payment terms

Pursuant to the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers; (i) the consideration for each of the LR1 tankers is RMB456 million, and the aggregate consideration for the two LR1 tankers is RMB912 million; (ii) the consideration for each of the MR product oil/crude oil tankers is RMB349 million, and the aggregate consideration for the eight tankers is RMB2,792 million; and (iii) the consideration for each of the MR crude oil tankers is RMB342.5 million, and the aggregate consideration for the four tankers is RMB1,370 million. The consideration for each of the tankers is payable by the Company in five instalments based on the shipbuilding progress (including the execution of the contract, commencement of the construction, keel laying, ship launching and ship delivery respectively) of 20%, 10%, 10%, 10% and 50% to COSCO SHIPPING Heavy Industry (Dalian) for each of the LR1 product oil/crude oil tankers; 20%, 20%, 20%, 20% and 20% to COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong) for each of the MR product oil/crude oil tankers, respectively; and 20%, 20%, 20%, 20% and 20% to COSCO SHIPPING Heavy Industry (Dalian) for each of the MR crude oil tankers, respectively.

The consideration for each tanker may be adjusted based on (i) if there is postponement in tanker delivery date or failure in the tanker's condition (including the speed, fuel consumption and deadweight tonnage) to meet the contractual standards, a reduction in contractual price shall apply accordingly; or (ii) if the performance deviation exceeds (for fuel consumption) or is below (for speed and deadweight tonnage) the permitted contractual range, the buyer shall have the right to refuse acceptance of the tanker. The above adjustments shall be made together with the fifth instalment payment. The consideration for each tanker is not subject to any upward adjustment mechanism pursuant to the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers.

Each of the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers provides that there will be no adjustment in the price of the relevant tankers if the delivery is delayed for a period not exceeding 30 days ("**Grace Period**"). Under the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers, delay will be permitted on account of force majeure events.

If the delay exceeds the Grace Period but does not exceed 210 days (being the number of days including the Grace Period but excluding the days allowed for delay under force majeure events therein prescribed under the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers) ("**210 Prescribed Days**") or 270 days (being the number of days including the Grace Period and the days allowed for delay under force majeure events together with any other days which are not allowed for delay therein prescribed under the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers) ("**270 Prescribed Days**") respectively, there will be a reduction in the price of the relevant tankers determined on the basis of the extent of the delay. For the avoidance of doubt, the said reduction in the price as a result of the delay will be calculated based on a daily reduction rate of RMB47,000 per day, subject to a maximum aggregate amount of reduction of RMB8,460,000 in respect of each tanker pursuant to each of the shipbuilding contracts for LR1 product oil/crude oil tankers, and on a daily reduction rate of RMB36,000 per day, subject to a maximum aggregate amount of reduction of RMB6,480,000 in respect of each tanker pursuant to each of the shipbuilding contracts for MR product oil/crude oil tankers and MR crude oil tankers, respectively.

If the delay exceeds 210 Prescribed Days or 270 Prescribed Days respectively, unless the parties agree otherwise, the Company has the right to refuse to accept delivery of the relevant tankers in which case all payments paid under the relevant Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers together with interests will be refunded to the Company.

There will be other downward adjustments in price of the relevant tankers if their performance (such as speed, deadweight tonnage, fuel consumption rate) does not satisfy certain agreed benchmarks (as the case may be). However, should the relevant performance exceed or fall below certain agreed benchmark, the Company has the right to refuse delivery of the relevant tankers or accept the relevant tankers with a reduced contract price. The maximum aggregate amount of reduction in the price in relation to speed, deadweight tonnage and fuel consumption rate is approximately RMB1,753,000, RMB2,250,000 and RMB1,370,000, respectively for each LR1 product oil/crude oil tanker, and approximately RMB1,320,000, RMB1,250,000 and RMB1,050,000, respectively for each MR product oil/crude oil tanker and MR crude oil tanker.

The considerations were determined after arm's length negotiations between the Company and COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong), respectively with reference to the market price for the construction of the same specifications of the oil tankers by two independent ship builders in the market, and COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong) respectively, the final quotations from COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong), including the price and the terms on payment, adjustment(s) and delivery schedules, are more favourable than the two other quotations from the independent ship builders.

In the course of negotiating the consideration for the tankers, to reach the final terms of the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers, the Group sent enquiries to three shipyards in the PRC (including the two independent ship builders, COSCO SHIPPING Heavy Industry (Dalian)) for LR1 product oil/crude oil tankers and sent enquiries to four shipyards in the PRC (including the two independent ship builders, COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong)) for MR product oil/crude oil tankers and MR crude oil tankers, which are exhaustive, selected the target shipyards based on respective shipbuilding capacity, dock availability, delivery date, price and other factors of the shipyards with feedback offers, and conducted several rounds of negotiation with the target shipyard in respect of the technical and commercial aspects.

The consideration will be funded by the Company as to approximately 80% by external financing (including bank borrowings or financial leasing) and approximately 20% by internal financial resources. The Group anticipates to commence negotiations for the said bank borrowings following the Shareholders' Meetings.

Delivery

The delivery of the two LR1 product oil/crude oil tankers built by COSCO SHIPPING Heavy Industry (Dalian) is expected to take place by (or before) the end of October 2028 and the end of December 2028, respectively.

The delivery of the three MR product oil/crude oil tankers built by COSCO SHIPPING Heavy Industry (Dalian) is expected to take place by (or before) the end of September 2027, the end of December 2027 and the end of April 2028, respectively.

The delivery of the five MR product oil/crude oil tankers built by COSCO SHIPPING Heavy Industry (Guangdong) is expected to successively take place by (or before) the end of June 2028 to the end of December 2028.

The delivery of the four MR crude oil tankers built by COSCO SHIPPING Heavy Industry (Dalian) is expected to take place by (or before) the end of May 2028 and the end of November 2028, respectively.

V. REASONS FOR AND BENEFITS OF ENTERING INTO THE SHIPBUILDING CONTRACTS

With a view to further enhancing the resilience and security capabilities of the energy supply chain, as well as optimizing the Company's fleet structure and market competitiveness, the Group intends to invest in and construct a series of multi-vessel-type clean-fuel vessels. This series of shipbuilding projects are based on the following comprehensive considerations:

1. Responding to national strategy and serving energy transportation needs

Aligned with the growing demand for the transportation of oil, gas, and chemical products both domestically and internationally, particularly the active regional trade of ethylene, crude oil, and product oil, the Group aims to supplement scarce shipping capacity and optimize vessel configurations, thereby enhancing its service capability and market share in targeted segments.

Specifically, the shipbuilding order for one ethylene carrier is driven by robust global ethylene demand growth, particularly in Asia, and the expanding market for coastal domestic ethylene transportation following the widespread adoption of ethane cracking in China. The shipbuilding orders for two Aframax methanol dual fuel crude oil tankers and two LR2 methanol dual fuel product oil/crude oil tankers solidify the Group's market share of the east of Suez Canal and expand into the high-yield Atlantic market.

2. Optimizing fleet structure and strengthening operational competitiveness

By adding new vessel capacity, the Group will improve the flexibility and operating efficiency of its fleet for both domestic and international trade, thereby consolidating its market share and solidifying its sustainable profitability.

In recent years, the Group has been continuously promoting fleet renewal and has gradually disposed of part of its aged shipping capacity. In particular, considering the fact that the average age of the Company's self-owned domestic oil tankers is larger than 16 years old as of the end of September 2025, the construction of two LR1 product oil/crude oil tankers, eight MR product oil/crude oil tankers and four MR crude oil tankers under the Shipbuilding Contracts (primarily serving the transportation for domestic trade) will then be replacements for aging vessels qualified for domestic shipping under the national trade-in policy, and hence will not increase the overall market shipping capacity for domestic trade. The shipbuilding decision is also aimed at maintaining the domestic market share of the Group and a dynamic balance in fleet scale with the optimized fleet-age structure, ensuring the stability of overall shipping capacity supply. It is a core part of the Group's long term strategy of fleet-renewal.

The Group's tanker fleet is generally oriented towards maintaining a stable scale while continuously optimising its structure. Specifically, the international trade tanker fleet will focus on developing advantageous vessel types such as VLCCs, Aframax and LR2, while the domestic trade tanker fleet will focus on renewing main vessel types such as LR1, Panamax and MR. The Aframax and LR2 oil tankers ordered this time are specific measures to implement the strategy of concentrating on advantageous vessel types for international trade. In the future, the Group will consolidate its long-term competitiveness by maintaining an appropriate pace of new orders. Meanwhile, given the current industry environment of tight global shipbuilding capacity and generally prolonged cycles for new vessel delivery, the newbuilding decision also demonstrates necessary foresight and advanced planning to address the capacity gap arising from the gradual retirement of aging vessels reaching their exit age, ensuring operational continuity and stable market share. Furthermore, with the rising trend of green shipping in the global shipping industry, the construction of two Aframax methanol dual fuel crude oil tankers and two LR2 methanol dual fuel product oil/crude oil tankers which are more environmentally friendly, will be replacements for aging and less efficient vessels when optimizing the Group's global fleet structure.

The Shipbuilding Contracts are part of the Group's long term strategy of fleet-renewal. As of the Latest Practicable Date, pursuant to the resolutions of the Board and, if required, the approved resolutions of the shareholders in general meeting of the Company, the planned capacity addition of 28 oil tankers (comprising the Company's existing orderbook of 18 oil tankers as of the end of the third quarter of 2025, 6 VLCCs on bareboat charter, and subject to shareholders' approval at the EGM, 2 Aframax methanol dual fuel crude oil tankers and 2 LR2 methanol dual fuel product oil/crude oil tankers under the Shipbuilding Contracts) is in equilibrium with the 28 oil tankers that have been or will be slated for disposal since the beginning of 2020, in accordance to the Company's rolling plan for vessel disposal with the aim to ensure the maintenance of the Company's core shipping capacity.

3. Practicing green shipping and promoting low-carbon transition

The newbuild vessels will adopt clean-power systems such as LNG dual fuel, methanol dual fuel, methanol READY and other clean-power systems, and will be equipped with energy-saving and intelligent devices. These initiatives actively respond to the global trend of shipping decarbonization, align with the Company's sustainable development strategy, and enhance the vessels' lifecycle competitiveness.

4. Seizing policy opportunities and realizing synergistic effects

The Group will fully leverage national industrial support policies that encourage vessel renewal, and will take advantage of the current market window in terms of shipbuilding prices and delivery schedules. By reasonably controlling investment costs, the Group strives to achieve a synergistic advancement of economic benefits and strategic layout, thereby creating long-term value for Shareholders.

5. Leveraging flexibility in vessel route operation and deployment to capture market opportunities

The operational arrangements for the newly built vessels will fully utilize the advantage of the Group's vessels being qualified for both domestic and international trade. After delivery, the specific market deployment of all newly built vessels will be comprehensively and dynamically assessed based on the prevailing conditions of the domestic and international oil shipping markets, freight rates and regional trade flows at the time of delivery. Leveraged on this operational flexibility, the Group will select the most economically viable markets for deployment in due course, thereby maximizing vessel returns, enhancing overall profitability resilience, and optimising the ability to respond to market risks.

The construction of these newbuild vessels represents a significant step of the Group in implementing its fleet development plan, seizing market opportunities, and practicing green and low-carbon development. Following the delivery of the new vessels, the Group will effectively supplement its capacity for key vessel types, thereby enhancing its service capabilities and competitiveness in the ethylene and oil transportation markets. This move aligns with the Company's long-term development strategy and serves the interests of all Shareholders. According to the internal estimation of the Group, the construction of one ethylene carrier and eighteen oil tankers offers a favorable investment return rate, which will help enhance the Company's risk resistance capability.

VI. INFORMATION ON THE PARTIES AND THE SHIPBUILDING CONTRACTS AND THE TRANSACTIONS CONTEMPLATED THEREUNDER

The Company and the Group

The Company is a joint stock limited company incorporated in the PRC, the H shares of which are listed on 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.

Dalian COSCO Energy is a company incorporated under the laws of the PRC with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in liquefied gas carrier shipment along the domestic coast, international maritime dangerous goods transportation, domestic ship management business, international ship management business, and logistics warehousing and storage business.

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

COSCO SHIPPING and China Shipping

COSCO SHIPPING is a state-owned enterprise and is an indirect controlling shareholder of the Company. COSCO SHIPPING is principally engaged in international shipping, ancillary business in international maritime transportation, import and export of goods and technologies, international freight agency business, leasing of self-owned vessels, sales of vessels, containers and steel, maritime engineering design and terminal and port investment.

China Shipping is a company incorporated under the laws of the PRC and a wholly-owned subsidiary of COSCO SHIPPING. China Shipping is principally engaged in coastal and ocean cargo transportation, container transportation, import and export business and international freight agency business.

The Target Shipyards

COSCO SHIPPING Heavy Industry (Dalian) is a company incorporated under the laws of the PRC with limited liability. It is an indirect wholly-owned subsidiary of COSCO SHIPPING Heavy Industry and is principally engaged in the construction, repair and conversion of vessels.

COSCO SHIPPING Heavy Industry (Yangzhou) is a company incorporated under the laws of the PRC with limited liability. It is a direct wholly-owned subsidiary of COSCO SHIPPING Heavy Industry and is principally engaged in the construction, repair and conversion of vessels.

COSCO SHIPPING Heavy Industry (Guangdong) is a company incorporated under the laws of the PRC with limited liability. It is an indirect wholly-owned subsidiary of COSCO SHIPPING Heavy Industry and is principally engaged in the construction, repair and conversion of vessels.

COSCO SHIPPING Heavy Industry is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in the construction, repair and conversion of vessels and marine equipment and supporting services.

VII. LISTING RULES IMPLICATIONS

The Shipbuilding Contracts and the transactions contemplated thereunder

As at the Latest Practicable Date, COSCO SHIPPING and its associates control or are entitled to control 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 is an indirect controlling shareholder of the Company and therefore a connected person of the Company.

To the best of the Directors' knowledge, information and belief, COSCO SHIPPING Heavy Industry (Dalian), COSCO SHIPPING Heavy Industry (Yangzhou) and COSCO SHIPPING Heavy Industry (Guangdong) are indirect wholly-owned subsidiaries of COSCO SHIPPING and therefore are connected persons of the Company. Accordingly, the Shipbuilding Contracts and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, if a series of transactions are all carried out within a 12-month period or are otherwise related to each other, they shall be aggregated and treated as if they were one transaction. As the counterparties to the nineteen Shipbuilding Contracts are all related parties and their transaction nature are similar, they should be aggregated. Following aggregation, as one or more applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Shipbuilding Contracts and the transactions contemplated thereunder exceed 5% but are all less than 25%, the entering into of the Shipbuilding Contracts and the transactions contemplated thereunder constitute discloseable and connected transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules, and the announcement, Independent Shareholders' approval, circular and annual reporting requirements under Chapter 14A of the Listing Rules.

VIII. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed under Chapter 14A of the Listing Rules to advise the Independent Shareholders as to whether the terms in respect of the Shipbuilding Contracts and the transactions contemplated thereunder, 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.

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 of the Shipbuilding Contracts and the transactions contemplated thereunder, 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 Listing Rules.

IX. DIRECTORS' CONFIRMATION

Mr. REN Yongqiang and Mr. ZHU Maijin, being executive Directors, and Mr. WANG Shuqing, Mr. WANG Wei and Ms. ZHOU Chongyi, being non-executive Directors, hold positions in COSCO SHIPPING and/or its subsidiaries other than the Group. Accordingly, Mr. REN Yongqiang and Mr. ZHU Maijin, being executive Directors, and Mr. WANG Shuqing, Mr. WANG Wei and Ms. ZHOU Chongyi have abstained from voting on the relevant Board resolutions approving the Shipbuilding Contracts and the transactions contemplated thereunder. Save as aforementioned, none of the other Directors has a material interest in the Shipbuilding Contracts and the transactions contemplated thereunder and hence no other Director has abstained from voting on such Board resolutions.

X. RESOLUTIONS TO BE PROPOSED AT THE SHAREHOLDERS' MEETINGS

Information in relation to the Shipbuilding Contracts and the transactions contemplated thereunder which will be proposed for consideration and, if thought fit, approval at the EGM has been disclosed in this circular.

XI. EGM

Resolutions in relation to, among other things, the Shipbuilding Contracts and the transactions contemplated thereunder will be considered by the Shareholders at the EGM.

A notice convening the EGM to be held at 2:30 p.m. on Tuesday, 27 January 2026 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-3 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, 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. 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 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 Listing Rules.

In accordance with the Listing Rules, any Shareholder who has a material interest in the Shipbuilding Contracts and the transactions contemplated thereunder shall abstain from voting on the corresponding resolution(s) at the EGM. As at the Latest Practicable Date, 1,026,369,981 A Shares were directly held by COSCO SHIPPING and 1,536,924,595 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 Shipbuilding Contracts and the transactions contemplated thereunder are required to abstain from voting on the corresponding resolutions 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 Shipbuilding Contracts and the transactions contemplated thereunder and is required to abstain from voting on the approval of the relevant resolutions at the EGM.

XII. 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, 22 January 2026 to Tuesday, 27 January 2026, 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, 27 January 2026 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, 21 January 2026.

XIII . RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 21 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 22 to 41 of this circular in connection with the Shipbuilding Contracts and the transactions 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 Shipbuilding Contracts and the transactions contemplated thereunder, and the advice of the Independent Financial Adviser, are of the opinion that while the Shipbuilding Contracts and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the Shipbuilding Contracts and the transactions contemplated thereunder are entered into on normal commercial terms or better and are 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 resolutions to approve the Shipbuilding Contracts and the transactions contemplated thereunder.

Based on the information as set out in this circular, the Directors consider that the terms of the Shipbuilding Contracts and the transactions contemplated thereunder are fair and reasonable, and in the interests of the Company and its Shareholders as a whole, and recommend the Independent Shareholders to approve the relevant resolutions to be proposed at the EGM.

XIV. 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)

9 January 2026

To the Independent Shareholders

Dear Sir or Madam,

(1) DISCLOSEABLE AND CONNECTED TRANSACTION – SHIPBUILDING CONTRACTS; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

We refer to the circular of the Company dated 9 January 2026 (the "**Circular**") in relation to, among other things, the Shipbuilding Contracts and the transactions 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.

SHIPBUILDING CONTRACTS AND THE TRANSACTIONS CONTEMPLATED THEREUNDER

We have been appointed by the Board to advise the Independent Shareholders as to whether the Shipbuilding Contracts and the transactions 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 Shipbuilding Contracts and the transactions contemplated thereunder and the advice of the Independent Financial Adviser, despite the entering into the Shipbuilding Contracts and the transactions 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 Shipbuilding Contracts and the transactions contemplated thereunder are 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(s) to be proposed at the EGM to approve the Shipbuilding Contracts and the transactions 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 Shipbuilding Contracts and the transactions 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

9 January 2026

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

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS — SHIPBUILDING CONTRACTS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Shipbuilding Contracts and the transactions 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 to the Shareholders dated 9 January 2026 (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.

Reference is made to the Announcement. On 12 December 2025, the Group entered into the Shipbuilding Contracts with COSCO SHIPPING Heavy Industry (Dalian), COSCO SHIPPING Heavy Industry (Yangzhou) and COSCO SHIPPING Heavy Industry (Guangdong) for the construction of one ethylene carrier and eighteen oil tankers at an aggregate consideration of RMB7,882 million.

The Target Shipyards are wholly-owned subsidiary of COSCO SHIPPING Heavy Industry which in turn is a wholly-owned subsidiary of COSCO SHIPPING. As at the Latest Practicable Date, COSCO SHIPPING and its associates control or are entitled to control 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 is an indirect controlling shareholder of the Company and therefore a connected person of the Company.

Pursuant to Rule 14.22 of the Listing Rules, if a series of transactions are all carried out within a 12-month period or are otherwise related to each other, they shall be aggregated and treated as if they were one transaction. As the counterparties to the nineteen Shipbuilding Contracts are all related parties and their transaction nature are similar, they should be aggregated. Following aggregation, as one or more applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Shipbuilding Contracts and the transactions contemplated thereunder exceed 5% but are all less than

25%, the entering into of the Shipbuilding Contracts and the transactions contemplated thereunder constitute discloseable and connected transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules, and the announcement, Independent Shareholders' approval, circular and annual reporting requirements under Chapter 14A of the Listing Rules.

Mr. REN Yongqiang and Mr. ZHU Maijin, being executive Directors, and Mr. WANG Shuqing, Mr. WANG Wei and Ms. ZHOU Chongyi, being non-executive Directors, hold positions in COSCO SHIPPING and/or its subsidiaries other than the Group. 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 approving the Shipbuilding Contracts and the transactions contemplated thereunder. Save as aforementioned, none of the other Directors has a material interest in the Shipbuilding Contracts and the transactions contemplated thereunder and therefore no other Director has abstained from voting on such 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 the Shipbuilding Contracts and the transactions contemplated thereunder, in accordance with the 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 four 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; (iii) 25 March 2025 in relation to connected transaction and discloseable and connected transactions and (iv) 5 December 2025 in relation to a discloseable and connected transaction and continuing connected transaction. 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 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 Shipbuilding Contracts and the transactions contemplated thereunder, in accordance with the 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 Shipbuilding Contracts and the transactions contemplated thereunder, in accordance with the 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 SHIPBUILDING CONTRACTS

1.1 Background of the Group

The Company is a joint stock limited company incorporated in the PRC, the H shares of which are listed on 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 ("**LNG**") shipment, liquefied petroleum gas shipment, chemicals shipment and vessel chartering.

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) internal 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 Heavy Industry

COSCO SHIPPING Heavy Industry is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of COSCO SHIPPING. It is principally engaged in the construction, repair and conversion of vessels and marine equipment and supporting services.

COSCO SHIPPING Heavy Industry (Dalian) is a company incorporated under the laws of the PRC with limited liability. It is an indirect wholly-owned subsidiary of COSCO SHIPPING Heavy Industry and is principally engaged in the construction, repair and conversion of vessels.

COSCO SHIPPING Heavy Industry (Yangzhou) is a company incorporated under the laws of the PRC with limited liability. It is a direct wholly-owned subsidiary of COSCO SHIPPING Heavy Industry and is principally engaged in the construction, repair and conversion of vessels.

COSCO SHIPPING Heavy Industry (Guangdong) is a company incorporated under the laws of the PRC with limited liability. It is an indirect wholly-owned subsidiary of COSCO SHIPPING Heavy Industry and is principally engaged in the construction, repair and conversion of vessels.

2. THE SHIPBUILDING CONTRACTS AND THE TRANSACTIONS CONTEMPLATED THEREUNDER

2.1 Reasons for and benefits of entering into of the Shipbuilding Contracts

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

Optimising the fleet structure with an aim to solidifying its domestic market share

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 Shipbuilding Contracts 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. The Shipbuilding Contracts will help the Group supplementing and optimising its capacity structure, allowing it to better seize future market opportunities and provide support for long-term profitability. In particular, considering the fact that the average age of the Group's self-owned domestic oil tankers is larger than 16 years old as of the end of September 2025, the construction of 2 LR1 product oil/crude oil tankers, 8 MR product oil/crude oil tankers and 4 MR crude oil tankers under the Shipbuilding Contracts will primarily serves the transportation for domestic trade and the building of aforesaid tankers is not only necessary to maintain domestic market share and enhance stable profitability, but also essential to optimize the fleet-age structure, deepen customer relationships, and enhance competitiveness in the domestic oil shipping market, and its a core part of the Group's long-term strategy of fleet-renewal.

Actively responding to national policies on vessel renewal

The Shipbuilding Contracts are part of the Group's long-term strategy of fleet renewal. Based on our discussion with the management of the Company, we understand that the Company's domestic market tanker fleet will continue to update its capacity as well as its age structure in accordance to the policy requirements, market and customer needs. According to Notice on Strengthening and Expanding the Implementation of the Large-Scale Equipment Renewal and Consumer Goods Trade-in Policy in 2025* 〈關於2025年加力擴圍實施大規模設備更新和消費品以舊換新政策的通知〉, published by National Development and Reform Commission of the PRC in January 2025 (https://www.ndrc.gov.cn/xwdt/tzgg/202501/t20250108_1395565.html), the PRC government encourages, among others, the strengthening of the implementation of the scrapping and replacement of old operating vessels by (i) continuing to support the scrapping and replacement of eligible old operating vessels; and (ii) strengthening the planning and tracking of the scrapping and replacement project for old operating vessels to promote its efficient implementation. In order to actively respond to the national policies for large-scale equipment renewal and fully utilize the Ministry of Transport's industrial support policy for scrapping and replacing old operating vessels, the construction of 2 LR1 product oil/crude oil tankers, 8 MR product oil/crude oil tankers and 4 MR crude oil tankers under the Shipbuilding Contracts will then replace the aging vessels qualified for domestic shipping and hence the overall supply of domestic shipping capacity will not be negatively affected.

In addition, as of the Latest Practicable Date, pursuant to the resolutions of the Board and, if required, the approved resolutions of the shareholders in general meeting of the Company, the planned capacity addition of 28 oil tankers (comprising the Company's existing orderbook of 18 oil tankers as of the end of the third quarter of 2025, 6 VLCCs on bareboat charter, and subject to shareholders' approval at the EGM, 2 Aframax methanol dual fuel crude oil tankers and 2 LR2 methanol dual fuel product oil/crude oil tankers under the Shipbuilding Contracts) is in equilibrium with the 28 oil tankers that have been or will be slated for disposal since the beginning of 2020, in accordance to the Company's rolling plan for vessel disposal with an aim to ensure the maintenance of the Company's core shipping capacity.

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 gradually developing new ships which meet the requirement of low carbon and zero-carbon energy consumption. Based on our review on the Shipbuilding Contracts, we note that newbuild vessels under the Shipbuilding Contracts will adopt clean-power systems such as LNG dual fuel, methanol dual fuel, methanol READY and other clean-power systems, and will be equipped with energy-saving and intelligent devices. As such, the management of the Company is of the view that the new vessels under the Shipbuilding Contracts is able to promote the optimization and adjustment of the fleet structure to a green and low-carbon direction.

Development of shipping capacity in niche markets with promising development prospects

In respect of the construction of LNG dual fuel ethylene carrier, we are given to understand from the Company that there will be a growth in demand on ethylene in the coming years. The focus of global ethylene demand is accelerating its eastward shift and moving towards emerging economies, with the Asian market remaining the main growth driver for global ethylene consumption. Meanwhile, with the widespread application of domestic ethane cracking to produce ethylene, the profit margins of ethylene and its downstream derivatives have been further expanded, driving the growth of downstream demand for ethylene and providing strong support for the growth of domestic ethylene consumption. The coastal domestic ethylene transportation market will further thrive. Therefore, the Company believes that developing ethylene carriers will increase the Company's future profit margins and lay a solid foundation for shareholder returns.

As advised by the management of the Company, we understand that Aframax and LR2 oil tankers are the mainstream tanker types for the Group's foreign oil trading business. From January 2025 to November 2025, the average operating utilization rate of the 17 self-owned Aframax and LR2 oil tankers (including one tanker that has been disposed of) was approximately 90%. However, due to the fleet size limitations, those types of tankers had been mainly deployed for operating regions east of the Suez Canal. To further improve the operating revenue of the Company's fleet and better advancing the implementation of the Company's global operation strategy, it is necessary to actively seize the share of high-yield markets in the Atlantic region while maintaining the Company's market share in regions east of the Suez Canal, thereby expanding the Company's global market influence. Hence, the Company believes that the investment of 2 Aframax and 2 LR2 oil tankers for deploying to high-yield markets in the Atlantic region is conducive to the Company's long-term global business development, and can further optimize the Company's global shipping slot layout, thereby creating more returns for shareholders.

Based on the above, we concur with the view of the Directors that the entering into of Shipbuilding Contracts 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. We therefore are of the view that although the entering into of the Shipbuilding Contracts is not in the ordinary course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

2.2 Key terms of the Shipbuilding Contracts

Shipbuilding Contract for LNG dual fuel ethylene carrier

Date:	12 December 2025
Parties:	(1) Dalian COSCO Energy (as the buyer); and (2) COSCO SHIPPING Heavy Industry (Dalian) (as the builder and seller).
Subject matter:	Pursuant to the Shipbuilding Contract for LNG dual fuel ethylene carrier, COSCO SHIPPING Heavy Industry (Dalian) has agreed to design, build, equip, launch and complete at the shipyard, and sell and deliver to Dalian COSCO Energy, and Dalian COSCO Energy has agreed to purchase and take delivery of the tankers.
The carrier:	The carrier is an LNG dual fuel ethylene carrier with a guaranteed deadweight of 7,500 DWT at structural drought and liquid cargo capacity of 9,000 m^3.
Consideration and payment terms:	The consideration for one carrier is RMB327.98 million. The consideration (being the vessel price of the carrier) is payable by Dalian COSCO Energy to COSCO SHIPPING Heavy Industry (Dalian) in five instalments of 5%, 30%, 2.5%, 2.5% and 60%, based on the shipbuilding progress (including the execution of the contract, commencement of the construction, keel laying, ship launching and ship delivery respectively). The consideration for the carrier may be adjusted based on (i) if there is postponement in carrier delivery date or failure in the carrier's condition (including the speed, fuel consumption, deadweight tonnage and liquid cargo capacity) to meet the contractual standards, a reduction in contractual price shall apply accordingly; or (ii) if the performance deviation exceeds (for fuel consumption) or is below (for speed, deadweight tonnage and liquid cargo capacity) the permitted contractual range, the buyer shall have the right to refuse acceptance of the carrier. The above adjustments shall be made together with the fifth instalment payment. The consideration for the carrier is not subject to any upward adjustment mechanism pursuant to the Shipbuilding Contract for LNG dual fuel ethylene carrier.

The Shipbuilding Contract for LNG dual fuel ethylene carrier provides that there will be no adjustment in the price of the tanker if the delivery is delayed for a period not exceeding 30 days ("**Grace Period**"). Under the Shipbuilding Contract for LNG dual fuel ethylene carrier, delay will be permitted on account of force majeure events.

If the delay exceeds the Grace Period but does not exceed 210 days (being the number of days including the Grace Period but excluding the days allowed for delay under force majeure events therein prescribed under the Shipbuilding Contract for LNG dual fuel ethylene carrier) ("**210 Prescribed Days**") or 255 days (being the number of days including the Grace Period and the days allowed for delay under force majeure events together with any other days which are not allowed for delay therein prescribed under the Shipbuilding Contract for LNG dual fuel ethylene carrier) ("**255 Prescribed Days**") respectively, there will be a reduction in the price of the carrier determined on the basis of the extent of the delay. For the avoidance of doubt, the said reduction in the price as a result of the delay will be calculated based on a daily reduction rate of RMB36,000 per day, subject to a maximum aggregate amount of reduction of RMB6,480,000 in respect of the carrier.

If the delay exceeds 210 Prescribed Days or 255 Prescribed Days respectively, unless the parties agree otherwise, Dalian COSCO Energy has the right to refuse to accept delivery of the carrier in which case all payments paid under the Shipbuilding Contract for LNG dual fuel ethylene carrier together with interests will be refunded to Dalian COSCO Energy.

There will be other downward adjustments in price of the carrier if its performance (such as speed, deadweight tonnage, fuel consumption rate and liquid cargo capacity) does not satisfy certain agreed benchmarks (as the case may be). However, should the relevant performance exceed or fall below certain agreed benchmark, Dalian COSCO Energy has the right to refuse delivery of the carrier or accept the carrier with a reduced contract price. The maximum aggregate amount of reduction in the price in relation to speed, deadweight tonnage, fuel consumption rate and liquid cargo capacity is RMB1,750,000, RMB800,000, RMB800,000 and RMB1,639,900, respectively for the carrier.

Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers

Date:	12 December 2025
Parties:	(1) Hainan COSCO Energy (as the buyer); and (2) COSCO SHIPPING Heavy Industry (Yangzhou) (as the builder and seller).
Subject matter:	Pursuant to the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers, COSCO SHIPPING Heavy Industry (Yangzhou) has agreed to design, build, equip, launch and complete at the shipyard, and sell and deliver to Hainan COSCO Energy, and Hainan COSCO Energy has agreed to purchase and take delivery of the tankers.
The tankers:	The tankers are two Aframax methanol dual fuel crude oil tankers with a guaranteed deadweight of 114,200 DWT at structural draught each and two LR2 methanol dual fuel product oil/crude oil tankers with a deadweight of 109,900 DWT at structural draught each.
Consideration and payment terms:	The consideration for each of the Aframax methanol dual fuel crude oil tankers is RMB610 million, and the aggregate consideration for the two tankers is RMB1,220 million. The consideration for each of the LR2 methanol dual fuel product oil/crude oil tankers is RMB630 million, and the aggregate consideration for the two tankers is RMB1,260 million. The consideration for each of the tankers is payable by Hainan COSCO Energy to COSCO SHIPPING Heavy Industry (Yangzhou) in five instalments of 20%, 10%, 10%, 10% and 50%, based on the shipbuilding progress (including the execution of the contract, commencement of the construction, keel laying, ship launching and ship delivery respectively). The consideration for each tanker may be adjusted under the following circumstances: (i) if the delivery date of the tanker is delayed or the condition of the tanker (including speed, fuel consumption, and deadweight tonnage) fails to meet the standards as stipulated in the relevant contract, the contract price shall be reduced accordingly; or (ii) should the performance deviation exceed (for fuel consumption) or fall below (for speed and deadweight tonnage) the limits allowed by the contract, the buyer shall have the right to refuse to accept the tanker. The above adjustments shall be made together with the fifth instalment payment. The consideration for each tanker is not subject to any upward adjustment mechanism pursuant to the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers.

Each of the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers provides that there will be no adjustment in the price of the relevant tankers if the delivery is delayed for a period not exceeding 30 days ("**Grace Period**"). Under the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers, delay will be permitted on account of force majeure events.

If the delay exceeds the Grace Period but does not exceed 210 days (being the number of days including the Grace Period but excluding the days allowed for delay under force majeure events therein prescribed under the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers) ("**210 Prescribed Days**") or 270 days (being the number of days including the Grace Period and the days allowed for delay under force majeure events together with any other days which are not allowed for delay therein prescribed under the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers) ("**270 Prescribed Days**") respectively, there will be a reduction in the price of the relevant tankers determined on the basis of the extent of the delay. For the avoidance of doubt, the said reduction in the price as a result of the delay will be calculated based on a daily reduction rate of RMB63,000 per day, subject to a maximum aggregate amount of reduction of RMB11,340,000 in respect of each tanker pursuant to each of the shipbuilding contracts for Aframax methanol dual fuel crude oil tankers, and on a daily reduction rate of RMB65,000 per day, subject to a maximum aggregate amount of reduction of RMB11,700,000 in respect of each tanker pursuant to each of the shipbuilding contracts for LR2 methanol dual fuel product oil/crude oil tankers, respectively.

If the delay exceeds 210 Prescribed Days or 270 Prescribed Days respectively, unless the parties agree otherwise, Hainan COSCO Energy has the right to refuse to accept delivery of the relevant tankers in which case all payments paid under the relevant Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers together with interests will be refunded to Hainan COSCO Energy.

There will be other downward adjustments in price of the relevant tankers if their performance (such as speed, deadweight tonnage, fuel consumption rate) does not satisfy certain agreed benchmarks (as the case may be). However, should the relevant performance exceed or fall below certain agreed benchmark, Hainan COSCO Energy has the right to refuse delivery of the relevant tankers or accept the relevant tankers with a reduced contract price. The maximum aggregate amount of reduction in the price in relation to speed, deadweight tonnage and fuel consumption rate is approximately RMB2,317,000, RMB4,400,000 and RMB1,845,000, respectively for each Aframax methanol dual fuel crude oil tanker, and approximately RMB2,391,000, RMB4,600,000 and RMB1,900,000, respectively for each LR2 methanol dual fuel product oil/crude oil tanker.

Shipbuilding Contract for LR1, MR product oil/crude oil tankers and MR crude oil tankers

Date:	12 December 2025
Parties:	(1) The Company (as the buyer); (2) COSCO SHIPPING Heavy Industry (Dalian) (as the builder and seller of two LR1 product oil/ crude oil tankers, three MR product oil/crude oil tankers and four MR crude oil tankers); and (3) COSCO SHIPPING Heavy Industry (Guangdong) (as the builder and seller of five MR product oil/crude oil tankers).
Subject matter:	Pursuant to the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers, COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong) have agreed to design, build, equip, launch and complete at the shipyard, and sell and deliver to the Company, and the Company has agreed to purchase and take delivery of the tankers.
The tankers:	The tankers are two LR1 product oil/crude oil tankers with a guaranteed deadweight of 74,000 DWT at structural draught each, and eight MR product oil/crude oil tankers and four MR crude oil tankers with a guaranteed deadweight of 49,000 DWT at structural draught each.

Consideration and payment terms:

The consideration for each of the LR1 product oil/crude oil tankers is RMB456 million, and the aggregate consideration for the two tankers is RMB912 million.

The consideration for each of the MR product oil/crude oil tankers is RMB349 million, and the aggregate consideration for the eight tankers is RMB2,792 million.

The consideration for each of the MR crude oil tankers is RMB342.5 million, and the aggregate consideration for the four tankers is RMB1,370 million.

The consideration for each of the tankers is payable by the Company in five instalments based on the shipbuilding progress (including the execution of the contract, commencement of the construction, keel laying, ship launching and ship delivery respectively) of 20%, 10%, 10%, 10% and 50% to COSCO SHIPPING Heavy Industry (Dalian) for each of the LR1 product oil/crude oil tankers; 20%, 20%, 20%, 20% and 20% to COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong) for each of the MR product oil/crude oil tankers, respectively; and 20%, 20%, 20%, 20% and 20% to COSCO SHIPPING Heavy Industry (Dalian) for each of the MR crude oil tankers.

The consideration for each tanker may be adjusted based on (i) if there is postponement in tanker delivery date or failure in the tanker's condition (including the speed, fuel consumption and deadweight tonnage) to meet the contractual standards, a reduction in contractual price shall apply accordingly; or (ii) if the performance deviation exceeds (for fuel consumption) or is below (for speed and deadweight tonnage) the permitted contractual range, the buyer shall have the right to refuse acceptance of the tanker. The above adjustments shall be made together with the fifth instalment payment. The consideration for each tanker is not subject to any upward adjustment mechanism pursuant to the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers.

Each of the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers provides that there will be no adjustment in the price of the relevant tankers if the delivery is delayed for a period not exceeding 30 days ("**Grace Period**"). Under the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers, delay will be permitted on account of force majeure events.

If the delay exceeds the Grace Period but does not exceed 210 days (being the number of days including the Grace Period but excluding the days allowed for delay under force majeure events therein prescribed under the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers) ("**210 Prescribed Days**") or 270 days (being the number of days including the Grace Period and the days allowed for delay under force majeure events together with any other days which are not allowed for delay therein prescribed under the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers) ("**270 Prescribed Days**") respectively, there will be a reduction in the price of the relevant tankers determined on the basis of the extent of the delay. For the avoidance of doubt, the said reduction in the price as a result of the delay will be calculated based on a daily reduction rate of RMB47,000 per day, subject to a maximum aggregate amount of reduction of RMB8,460,000 in respect of each tanker pursuant to each of the shipbuilding contracts for LR1 product oil/crude oil tankers, and on a daily reduction rate of RMB36,000 per day, subject to a maximum aggregate amount of reduction of RMB6,480,000 in respect of each tanker pursuant to each of the shipbuilding contracts for MR product oil/crude oil tankers and MR crude oil tankers, respectively.

If the delay exceeds 210 Prescribed Days or 270 Prescribed Days respectively, unless the parties agree otherwise, the Company has the right to refuse to accept delivery of the relevant tankers in which case all payments paid under the relevant Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers together with interests will be refunded to the Company.

There will be other downward adjustments in price of the relevant tankers if their performance (such as speed, deadweight tonnage, fuel consumption rate) does not satisfy certain agreed benchmarks (as the case may be). However, should the relevant performance exceed or fall below certain agreed benchmark, the Company has the right to refuse delivery of the relevant tankers or accept the relevant tankers with a reduced contract price. The maximum aggregate amount of reduction in the price in relation to speed, deadweight tonnage and fuel consumption rate is approximately RMB1,753,000, RMB2,250,000 and RMB1,370,000, respectively for each LR1 product oil/crude oil tanker, and approximately RMB1,320,000, RMB1,250,000 and RMB1,050,000, respectively for each MR product oil/crude oil tanker and MR crude oil tanker.

2.3 Fairness and reasonableness on the key terms of the Shipbuilding Contracts

Basis of consideration under the Shipbuilding Contracts

As stated in the Letter from the Board, the consideration for the nineteen newbuild vessels was determined by the Group in accordance with the principle of openness, fairness and impartiality, and based on the Group's requirements on price, technical capability and delivery schedule. Through conducting enquiries to major shipyards (including independent third-party shipyards) capable of constructing and delivering comparable vessels and upon comprehensive evaluation by the Group, the Target Shipyards demonstrated strong competitiveness and comprehensive advantages over other shipyards (including independent third-party shipyards) in terms of shipbuilding capacity, vessel prices, delivery date, payment ratio, construction experience and other factors. After the counter-offer and upon the confirmation from the Target Shipyards, the Group ultimately selected the Target Shipyards as the builders for the construction of the nineteen vessels. In addition, a partial list of the Target Shipyards are the builders of the Group's vessels which have been constructed/currently under construction, and therefore are more familiar with the various requirements of the Group for construction of newbuild vessels.

Contract price of the Shipbuilding Contract for LNG dual fuel ethylene carrier

In respect of the Shipbuilding Contracts for LNG dual fuel ethylene carrier, we are given to understand from the management of the Company that the consideration was determined after arm's length negotiations between Dalian COSCO Energy and COSCO SHIPPING Heavy Industry (Dalian) with reference to the market price for the construction of the same specifications of the LNG Dual Fuel Ethylene Carrier by 2 independent ship builders in the market and COSCO SHIPPING Heavy Industry (Dalian) respectively. We further understand from the management of the Company that the Company has sent quotation enquiries to COSCO SHIPPING Heavy Industry (Dalian) and 3 independent ship builders regarding the construction of the LNG dual fuel ethylene carrier while one of them did not respond to the quotation enquiries. As such, the two independent ship builders for the construction of the LNG Dual Fuel Ethylene Carrier are exhaustive.

In order to assess the fairness and reasonableness consideration as stipulated under the Shipbuilding Contract for LNG dual fuel ethylene carrier, we have obtained and reviewed the preliminary quotations from the 2 independent ship builders and COSCO SHIPPING Heavy Industry (Dalian). We noted from the preliminary quotations included (i) the pricing terms; (ii) the delivery period and (iii) the payment structure. Based on our review, we understand that (i) the pricing terms from COSCO SHIPPING Heavy Industry (Dalian) is the lowest; (ii) COSCO SHIPPING Heavy Industry (Dalian) has the fastest delivery period; and (iii) the payment schedule offered by COSCO SHIPPING Heavy Industry (Dalian) is most favourable to the Group (i.e. in five instalments with smaller proportion of contract price payable in the first four instalments and the majority of the payment payable in the fifth instalment upon delivery of the carrier). We further understand from the management of the Company that taking into consideration that (i) the lowest pricing terms and the earliest delivery date in the first round of quotation, and (ii) the fact that COSCO SHIPPING Heavy Industry (Dalian) is the current contractor of an ongoing ethylene carrier construction project with the same specifications, the Company the decided to select COSCO SHIPPING Heavy Industry (Dalian) as the preferred shipyard for the next round of competitive negotiations. Upon further negotiations, the final consideration is further adjusted downward to RMB327.98 million for one carrier and further optimize the

payment schedule with further higher payment payable in the fifth instalment upon delivery of the carrier. Based on the aforesaid, we therefore concur with the Directors' view that the terms provided by COSCO SHIPPING Heavy Industry (Dalian) are fair and reasonable and in the interest of the Company and its shareholders.

Contract price of the Shipbuilding Contract for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers

In respect of the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers, we are given to understand from the management of the Company that the Company has sent quotation enquiries to COSCO SHIPPING Heavy Industry (Yangzhou) and 2 independent ship builders regarding the construction of the Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers. As such, the consideration was determined after arm's length negotiations between Hainan COSCO Energy and COSCO SHIPPING Heavy Industry (Yangzhou) with reference to the market price for the construction of the same specifications of the aforesaid tankers by 2 independent ship builders in the market, which are exhaustive, and COSCO SHIPPING Heavy Industry (Yangzhou) respectively.

In order to assess the fairness and reasonableness consideration as stipulated under the Shipbuilding Contract for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers, we have obtained and reviewed the preliminary quotations from the 2 independent ship builders and COSCO SHIPPING Heavy Industry (Yangzhou). We noted from the preliminary quotations included (i) the pricing terms; (ii) the delivery period and (iii) the payment structure. Based on our review, we understand that (i) the pricing terms offered by COSCO SHIPPING Heavy Industry (Yangzhou) is the lowest; and (ii) same payment structure as compared to the quotations from the 2 independent ship builders. In respect of the delivery period, we understand that, among the 2 independent ship builders, COSCO SHIPPING Heavy Industry (Yangzhou) offers a better delivery period than one of the shipbuilder, but inferior to the delivery period offered by another ship builder regarding the construction of the LR2 methanol dual fuel product oil/crude oil tankers. Notwithstanding the aforesaid, as advised by the management of the Company, COSCO SHIPPING Heavy Industry (Yangzhou) is experienced in constructing Aframax/LR2 type of tankers which completed 15 Aframax/LR2 tankers. Despite the proposed delivery period provided by COSCO SHIPPING Heavy Industry (Yangzhou) is slightly inferior to the delivery period offered by a ship builder regarding the construction of the LR2 methanol dual fuel product oil/crude oil tankers, having considered that (i) the pricing terms from COSCO SHIPPING Heavy Industry (Yangzhou) is the lowest; (ii) same payment structure as compared to the quotations from the 2 independent ship builders; (iii) the track record of construction of Aframax/LR2 type tankers by COSCO SHIPPING Heavy Industry (Yangzhou); and (iv) COSCO SHIPPING Heavy Industry has been providing shipbuilding services to the Group for years which resulted in better and more efficient communication with the Group as compared with other independent shipbuilders, the Company considers those factors outweighs and hence decides to select COSCO SHIPPING Heavy Industry (Yangzhou) as the preferred shipyard for the next round of competitive negotiations. Upon further negotiations, the final consideration is further adjusted downward to (i) RMB610 million for a Aframax methanol dual fuel crude oil tanker; and (ii) RMB630 million for a LR2 methanol dual fuel product oil/crude oil tanker. Based on the aforesaid, we therefore concur with the Directors' view that the terms provided by COSCO SHIPPING Heavy Industry (Yangzhou) are fair and reasonable and in the interest of the Company and its shareholders.

Contract price of the Shipbuilding Contract for LR1, MR product oil/crude oil tankers and MR crude oil tankers

In respect of the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers, we are given to understand from the management of the Company that the Group sent enquiries to three shipyards in the PRC (including the two independent ship builders and COSCO SHIPPING Heavy Industry (Dalian)) for LR1 product oil/crude oil tankers and sent enquiries to four shipyards in the PRC (including the two independent ship builders, COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong)) for MR product oil/crude oil tankers and MR crude oil tankers. As such, the consideration was determined after arm's length negotiations between the Company and COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong) and with reference to the market price for the construction of the same specifications of the aforesaid tankers by 2 respective independent ship builders in the market, which are exhaustive, and COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong) respectively.

In order to assess the fairness and reasonableness consideration as stipulated under the Shipbuilding Contract for LR1, MR product oil/crude oil tankers and MR crude oil tankers, we have obtained and reviewed the preliminary quotations from the 2 respective independent ship builders and COSCO SHIPPING Heavy Industry. We noted from the preliminary quotations included (i) the pricing terms; (ii) the delivery period and (iii) the payment structure. Based on our review, we understand that COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong) offered (i) the lowest pricing terms; and (ii) the fastest delivery period, as compared to the quotations from the 2 respective independent ship builders respectively. In addition, in order for the Company to meet the requirement for the industrial support policy from the Ministry of Transport of the PRC government, the delivery date of LR1, MR product oil/crude oil tankers and MR crude oil tankers must be before 31 December 2028. Given that (i) COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong) are the only shipyards that can delivery the tankers by 2028; (ii) the pricing terms and the payment schedule are the most competitive among the 2 independent ship builders respectively, the Company then decided to select COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong) as preferred shipyard for further negotiations. Upon further negotiations with COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong), the final considerations are further adjusted downward to (i) RMB456 million for a LR1 product oil/crude oil tanker; (ii) RMB349 million for a MR product oil/crude oil tanker and (iii) RMB342.5 million for a MR crude oil tanker. Based on the aforesaid, we therefore concur with the Directors' view that the terms provided by COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy Industry (Guangdong) are fair and reasonable and in the interest of the Company and its shareholders.

Price adjustment mechanism

Besides, we note that a price adjustment mechanism is included in the Shipbuilding Contracts and the consideration for each vessel may be adjusted based on (i) if there is postponement in vessel delivery date or failure in the vessel's condition (including the speed, fuel consumption and deadweight tonnage) to meet the contractual standards, a reduction in contractual price shall apply accordingly; or (ii) if the performance deviation exceeds (for fuel consumption) or is below (for speed and deadweight tonnage) the

permitted contractual range, the buyer shall have the right to refuse acceptance of the vessel. The consideration as stipulated in the Shipbuilding Contracts is not subject to any upward adjustments. As such, the price adjustment mechanism is included with an intention to protect the Group from overpaying or in worst case to refuse to accept the tankers should the specifications of the tankers fall short of the requirements as stipulated in the Shipbuilding Contracts.

As advised by the management of the Company, we are given to understand that, regardless of the types of vessels, it is common and of industry norm to include a price adjustment mechanism into a shipbuilding contract to ensure the specifications of ships as stipulated in the shipbuilding contracts are met. In order to assess whether the inclusion of an adjustment mechanism is of industry practice, we are given to understand from the management of the Company that the Group, between January 2024 and December 2025, has entered into eight shipbuilding contracts, involving the construction of two LNG carriers with a deadweight of 175,000 cubic meter each and six very large crude carriers ("**VLCCs**") with a deadweight of 307,000 DWT each, with independent third parties shipbuilders. For further details of the aforesaid transactions, please refer to the announcement of the Company dated 13 September 2024 and 22 November 2024, respectively. As such, we have obtained and reviewed the relevant price adjustment mechanisms as stipulated in those eight shipbuilding contracts and note that the terms of which (i.e. (a) the consideration will be adjusted based on (i) the failure to meet the performance of construction elements, being its speed, deadweight tonnage and fuel consumption rate, of the relevant vessels; or (ii) the delay in delivery of the relevant vessels exceeding certain agreed time limits as stipulated in the relevant shipbuilding contract; and (b) the consideration is not subject to any upward adjustments) are comparable to that of the Shipbuilding Contracts and hence is in favour to the Group and in the interests of the Company and the Shareholders as a whole. We consider that our independent workdone on the price adjustment mechanism is fair and representative given that we have reviewed all the relevant price adjustment mechanisms as stipulated in those two shipbuilding contracts that are recently entered into between the Group and the independent third parties, which are exhaustive.

Having considered that (i) it is common and of industry norm to include a price adjustment mechanism into a shipbuilding contract regardless of the vessel types; (ii) the terms of the adjustment mechanism as stipulated in the Shipbuilding Contract is comparable to that of the shipbuilding contracts recently entered into between the Group and independent third parties ship builders which is in favour to the Group and in the interests of the Company and the Shareholders as a whole, we therefore concur with the view of the Directors that the inclusion of such adjustment mechanism in the Shipbuilding Contracts is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Payment schedule

As stipulated in the Shipbuilding Contracts, we understand that the contract price under the Shipbuilding Contracts shall be payable in five instalments. We have reviewed the quotations provided by each of the independent ship builders in relation to the Shipbuilding Contracts (the "**Shipbuilding Comparables**") and we note that the proposed payment terms thereunder are also similar to that of the relevant Shipbuilding Contracts. As such, it is considered that the payment schedule of the Shipbuilding Contracts is on normal commercial terms. The Shipbuilding Comparables are exhaustive and represents the key

terms quoted by independent ship builders in relation to the construction of relevant vessels. As such, we consider that it is an appropriate reference in considering the fairness and reasonableness of the payment structure as stipulated in the Shipbuilding Contracts. In order to further assess the fairness and reasonableness of the payment schedule, on top of the Shipbuilding Comparables, we have also reviewed the shipbuilding contracts with an independent third party shipbuilder in relation to the construction of six VLCCs (the "**VLCC Shipbuilding Contracts**"). For further details of the aforesaid transactions, please refer to the announcement of the Company dated 22 November 2024. We are given to understand that the payment structure thereunder is also similar to that of the Shipbuilding Contracts with five instalments which suggest that it is an industry practice to have five instalments payment structure for a shipbuilding contract.

Having considered that (i) the Shipbuilding Comparables are exhaustive and represents the key terms quoted by independent ship builders in relation to the construction of relevant vessels; (ii) the proposed payment terms under the Shipbuilding Contracts is comparable to that of the (a) Shipbuilding Comparable and (b) VLCC Shipbuilding Contracts, we therefore concur with the view of the Directors that the payment structure in the Shipbuilding Contracts is an industry norm and hence is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

After taking into the consideration of the above, we concur with the view of the Directors that the terms of the Shipbuilding Contracts and the transactions contemplated 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 although the entering into of the Shipbuilding Contracts are not in the ordinary and usual course of business of the Group, they are in the interests on the Company and the Shareholders as a whole, and the terms of the transactions contemplated under the Shipbuilding Contracts 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 ordinary resolutions to be proposed at the EGM to approve the Shipbuilding Contracts and the transactions 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 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 Listing Rules were as follows:

(i) Long position 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 total number of the relevant class of Shares	Approximate percentage of total number of issued Shares
Zhu Maijin	Beneficial owner	A	102,980 (L)	0.0025%	0.0019%
Zhao Jinsong	Beneficial owner	H	6,000 (L)	0.0005%	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 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 9 January 2026 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.

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 Shipbuilding Contracts;

(b) the letter from the Independent Board Committee, the text of which is set out in page 21 of this circular;

(c) the letter from the Independent Financial Adviser, the text of which is set out in pages 22 to 41 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.

13. LANGUAGE

In the event of inconsistency between the Chinese and English version of this circular, the English version shall prevail.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.

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 2:30 p.m. on Tuesday, 27 January 2026 (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 9 January 2026 (the "**Circular**").

ORDINARY RESOLUTIONS

1. To approve, confirm and ratify the Shipbuilding Contract for LNG dual fuel ethylene carrier dated 12 December 2025 entered into between Dalian COSCO Energy and COSCO SHIPPING Heavy Industry (Dalian) and the transactions 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 Shipbuilding Contract for LNG dual fuel ethylene carrier.

2. To approve, confirm and ratify the Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers dated 12 December 2025 entered into between the Hainan COSCO Energy and COSCO SHIPPING Heavy Industry (Yangzhou) and the transactions 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 Shipbuilding Contracts for Aframax methanol dual fuel crude oil tankers and LR2 methanol dual fuel product oil/crude oil tankers.

3. To approve, confirm and ratify the Shipbuilding Contracts for LR1, MR product oil/crude oil tankers and MR crude oil tankers dated 12 December 2025 entered into between the Company with COSCO SHIPPING Heavy Industry (Dalian) and COSCO SHIPPING Heavy

Industry (Guangdong) respectively, and the transactions contemplated thereunder, which include the construction by COSCO SHIPPING Heavy Industry (Dalian) of two LR1 product oil/crude oil tankers, three MR product oil/crude oil tankers and four MR crude oil tankers, and the construction by COSCO SHIPPING Heavy Industry (Guangdong) of five MR product oil/crude oil tankers; 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 Shipbuilding Contracts LR1, MR product oil/crude oil tankers and MR crude oil tankers.

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

Shanghai, the PRC
9 January 2026

* *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, 22 January 2026, to Tuesday, 27 January 2026 (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, 27 January 2026 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, 21 January 2026.

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, Ms. ZHOU Chongyi and Ms. MA Yuanru as non-executive Directors, Mr. Victor HUANG, Mr. LI Runsheng, Mr. ZHAO Jinsong and Mr. WANG Zuwen as independent non-executive Directors.