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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)

CONNECTED TRANSACTION
CONSTRUCTION OF ONE ETHYLENE CARRIER

THE PROPOSED SHIPBUILDING CONTRACT

The Board is pleased to announce that Hainan Zhaogang proposed to enter into a shipbuilding contract with COSCO SHIPPING Heavy Industry (Dalian) for the construction of one ethylene carrier at a consideration of RMB335 million.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, 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 46.85% 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) is an indirect wholly-owned subsidiary of COSCO SHIPPING and therefore is a connected person of the Company. Accordingly, the Proposed Shipbuilding Contract and the transaction contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

* *For identification purposes only*

Pursuant to Rules 14.22 and 14A.81 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. The counterparties to the Previous Transaction are all related parties. Having considered factors including the vessel types, vessel intended uses and investment purposes involved in the transaction, the Company considers that the Previous Transaction are similar in nature to the proposed transaction and should therefore be aggregated. As one or more applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Proposed Shipbuilding Contract and the transactions contemplated thereunder (whether considered individually or in aggregate with the Previous Transactions) exceed 0.1% but are all less than 5%, the Proposed Shipbuilding Contract and the transactions contemplated thereunder constitute connected transactions of the Company and are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that Hainan Zhaogang proposed to enter into a shipbuilding contract with COSCO SHIPPING Heavy Industry (Dalian) for the construction of one ethylene carrier at an aggregate consideration of RMB335 million.

PROPOSED SHIPBUILDING CONTRACT FOR LNG DUAL FUEL ETHYLENE CARRIER

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

Parties

(1) Hainan Zhaogang (as the buyer); and

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

Subject matter

Pursuant to the Proposed 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 Hainan Zhaogang, and Hainan Zhaogang has agreed to purchase and take delivery of the carrier.

The carrier

The carrier is an LNG dual fuel ethylene carrier with 9,000 m^3.

Consideration and payment terms

The consideration for one carrier is RMB335 million. The consideration for the carrier is payable by Hainan Zhaogang to COSCO SHIPPING Heavy Industry (Dalian) in five instalments of 10%, 20%, 10%, 10% and 50%, respectively based on the shipbuilding progress.

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 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 carrier.

Delivery

The delivery of one carrier is expected to take place in April 2028.

BASIS FOR DETERMINING THE CONSIDERATION UNDER THE PROPOSED SHIPBUILDING CONTRACT

The consideration for one ethylene carrier 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, COSCO SHIPPING Heavy Industry (Dalian) 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 COSCO SHIPPING Heavy Industry (Dalian), the Group ultimately selected COSCO SHIPPING Heavy Industry (Dalian) as the builder for the construction of one ethylene carrier. In addition, COSCO SHIPPING Heavy Industry (Dalian) is the builder of the Group's vessels which have been constructed/currently under construction, and therefore is more familiar with the various requirements of the Group for construction of newbuild vessels.

The consideration for one ethylene carrier will be funded by Hainan Zhaogang by external financing and internal financial resources.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROPOSED SHIPBUILDING CONTRACT

1. Responding to national strategy and serving energy transportation needs

In response to the growing global demand for ethylene transportation, the Group is supplementing the scarce shipping capacity of ethylene carriers and expanding its fleet size, thereby capitalizing on market opportunities to enhance its service capability and market share in both domestic and international ethylene shipping markets, and to strengthen the Company's profitability and core competitiveness.

2. Optimizing fleet structure and strengthening operational competitiveness

By expanding its shipping capacity of ethylene carrier, optimizing the age profile of its ethylene fleet, enhancing the fleet's digitalization and environmental sustainability, and improving the operational efficiency of the Group's fleet, the Group aims to consolidate its market share, strengthen its sustainable profitability, and lay a solid foundation for enhancing the Company's overall competitiveness and operational performance.

3. Practicing green shipping and promoting low-carbon transition

The newbuild vessel will adopt clean-power systems such as LNG dual fuel 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.

The construction of the newbuild vessel 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 vessel, the Group will effectively supplement its capacity for ethylene carriers, thereby enhancing its service capabilities and competitiveness in the ethylene transportation market. 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 offers a favorable investment return rate, which will help enhance the Company's risk resistance capability.

The Directors (including the independent non-executive Directors) are of the view that the Shipbuilding Contracts are entered into in the ordinary and usual course of business of the Group, the terms of the Shipbuilding Contracts and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

RELEVANT INFORMATION ON THE PARTIES TO THE PROPOSED SHIPBUILDING CONTRACT

Information on the Group

The Company is a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1138) and the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600026). The Group is principally engaged in investment holding, oil shipment along the coast of the PRC and internationally, international liquefied natural gas shipment, liquefied petroleum gas shipment, chemicals shipment and vessel chartering.

Information on Dalian COSCO Energy

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.

Information on Hainan Zhaogang

Hainan Zhaogang is a company incorporated under the laws of the PRC with limited liability and is an 87% controlling subsidiary of Dalian COSCO Energy. 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.

Information on COSCO SHIPPING Heavy Industry (Dalian)

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 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.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, 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 46.85% 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) is an indirect wholly-owned subsidiary of COSCO SHIPPING and therefore is a connected person of the Company. Accordingly, the Proposed Shipbuilding Contract and the transaction contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rules 14.22 and 14A.81 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. The counterparties to the Previous Transaction are all related parties. Having considered factors including the vessel types, vessel intended uses and investment purposes involved in the transaction, the Company considers that the Previous Transaction are similar in nature to the proposed transaction and should therefore be aggregated. As one or more applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Proposed Shipbuilding Contract and the transactions contemplated thereunder (whether considered individually or in aggregate with the Previous Transactions) exceed 0.1% but are all less than 5%, the Proposed Shipbuilding Contract and the transactions contemplated thereunder constitute connected transactions of the Company and are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. REN Yongqiang, being an executive Director, and Mr. WANG Shuqing, Ms. ZHOU Chongyi and Mr. HE Bin, being non-executive Directors, hold positions in COSCO SHIPPING and/or its subsidiaries other than the Group. Accordingly, Mr. REN Yongqiang, Mr. WANG Shuqing, Ms. ZHOU Chongyi and Mr. HE Bin have abstained from voting on the relevant Board resolution approving the Proposed Shipbuilding Contract and the transaction contemplated thereunder. Save as aforementioned, none of the other Directors has a material interest in the Proposed Shipbuilding Contract and the transaction contemplated thereunder and therefore no other Director has abstained from voting on such Board resolution(s).

DEFINITIONS

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follows:

"A Share(s)"	the domestic share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which is (are) listed on the Shanghai Stock Exchange
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors 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 and A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1138) and the Shanghai Stock Exchange (Stock Code: 600026), respectively
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"consideration"	the vessel price of the vessel, and for the purpose of this announcement only, includes tax
"COSCO SHIPPING"	CHINA COSCO SHIPPING Corporation Co., Ltd.* (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 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

"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
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) of par value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the Main Board of the Hong Kong Stock Exchange
"Hainan Zhaogang"	Hainan Zhaogang Marine Co., Ltd.* (海南招港海運有限公司), a company incorporated under the laws of the PRC with limited liability and an 87% owned subsidiary of Dalian COSCO Energy
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"PRC" or "China"	the People's Republic of China, and for the purpose of this announcement only, means the PRC (Mainland)
"Previous Transaction"	a shipbuilding contract for LNG dual fuel ethylene carrier entered into between Dalian COSCO SHIPPING Energy Supply Chain Co., Ltd.* (大連中遠海運能源供應鏈有限公司) and COSCO SHIPPING Heavy Industry (Dalian) Co., Ltd.* (大連中遠海運重工有限公司) on 12 December 2025
"Proposed Shipbuilding Contract"	a proposed Shipbuilding Contract for LNG dual fuel ethylene carrier

"Proposed Transaction"	the transaction relating to the proposed entry into a shipbuilding contract between Hainan Zhaogang and COSCO SHIPPING Heavy Industry (Dalian) for the construction of one ethylene carrier at an aggregate consideration of RMB335 million
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of the share(s) of the Company
"%"	per cent

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

Shanghai, the PRC
28 October 2026

As at the date of this announcement, the Board comprises Mr. REN Yongqiang and Mr. WANG Mingfeng as executive Directors, Mr. WANG Shuqing, Ms. ZHOU Chongyi, Mr. HE Bin and Ms. MA Yuanru as non-executive Directors, Mr. LI Kin Fai, Mr. CHEN Gang and Ms. CHENG Yan as independent non-executive Directors.

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