*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*

# 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)**

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

### CHARTER

The Board is pleased to announce that on 11 November 2026, Pan Cosmos, a wholly-owned subsidiary of the Company and as charterer/lessee, entered into the Charter Party with Oriental Fleet, a connected person of the Company and as owner/lessor, pursuant to which Pan Cosmos agreed to lease sixteen (16) VLCCs from Oriental Fleet with a lease term of 240 months ± 90 days, commencing from the date of delivery of each vessel.

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

In order to comprehensively balance the uncertainty of future market fluctuations, the Company adopts a relatively balanced portfolio structure under the Charter Party, comprising eight (8) vessels under a fixed bareboat charter rate and eight (8) vessels under a floor rate with profit-sharing mechanism. The expected annual rent incurred for sixteen (16) vessels after delivery will be between RMB680 million (excluding taxes and fees) and RMB1 billion (excluding taxes and fees) based on spot market freight rate, taking into account the potential rent adjustments. Among which, save for the three years ending 31 December 2028, the Company expects that the maximum annual amount for the Variable Lease Payments under the Charter Party for each of years ending 31 December 2050 shall be RMB320 million.

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

* *For identification purposes only*

**IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

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

As at the date of this announcement, COSCO SHIPPING directly holds 1,026,369,981 A Shares, while China Shipping Group Company Limited* (中國海運集團有限公司) (a wholly-owned subsidiary of COSCO SHIPPING) and its subsidiaries hold 1,536,924,595 A Shares. Accordingly, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 2,563,294,576 A Shares, representing approximately 46.85% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is the controlling Shareholder of the Company and is thus a connected person of the Company.

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

Pursuant to Rules 14.22 and 14A.81 of the Hong Kong 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 counterparty of the Aggregated Transactions is a connected person and having regard to factors such as the types of vessels involved, the usage of the vessels and the investment objectives of the transactions, the Company considers that the Aggregated Transactions are similar in nature to the transactions contemplated under the Charter and shall be aggregated with the related Fixed Lease Payments. As one or more applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules in relation to the value of the right-of-use assets under the Charter exceed 5% but are all less than 25% (whether individually or upon aggregation with the Aggregated Transactions), the transactions contemplated under the Charter and the related Fixed Lease Payments constitute discloseable and connected transactions of the Company which are subject to the notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules, as well as the announcement, Independent Shareholders' approval, circular, and annual reporting requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio for the maximum annual amount of the Variable Lease Payments over the charter period is above 0.1% but below 5%, the Variable Lease Payments under the Charter constitute a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules which is subject to the reporting and announcement requirements but is exempt from compliance with the Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

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

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

**INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

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

**EGM**

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

A circular containing, among other things, details of the acquisition of right-of-use assets under the Charter, a letter from the Independent Board Committee with its recommendation to the Independent Shareholders, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, as well as a notice convening the EGM will be dispatched to the Shareholders on or before 4 December 2026 in accordance with the Hong Kong Listing Rules, as additional time is required to prepare certain information in the circular.

## INTRODUCTION

The Board is pleased to announce that on 11 November 2026, Pan Cosmos, a wholly-owned subsidiary of the Company and as charterer/lessee, entered into the Charter Party with Oriental Fleet, a connected person of the Company and as owner/lessor, pursuant to which Pan Cosmos agreed to lease sixteen (16) VLCCs from Oriental Fleet with a lease term of 240 months ± 90 days, commencing from the date of delivery of each vessel.

**Charter**

The principal terms of the Charter Party are as follows:

| | |
|---|---|
| Date: | 11 November 2026 |
| Parties: | (i) Oriental Fleet, a connected person of the Company and as owner/lessor; and<br><br>(ii) Pan Cosmos, a wholly-owned subsidiary of the Company and as charterer/lessee |
| Subject matter: | Pursuant to the Charter Party, Oriental Fleet has agreed to provide vessel leasing services to Pan Cosmos in relation to the sixteen (16) VLCCs (the "**Chartered Vessels**") to be built under the Charter Party. The vessels are 307,000-ton VLCC crude oil tanker (with dual reserve of "**methanol+LNG**" fuel). |
| Lease arrangements and period: | The lease period of each vessel shall be two hundred and forty (240) months ± ninety (90) days, commencing from the date of delivery of each vessel; wherein ± 90 days are lessee option.<br><br>Such sixteen (16) Chartered Vessels will be delivered on an orderly basis, ranging from October 2029 to December 2030, respectively.<br><br>Upon expiration of the lease period of each vessel, Pan Cosmos shall return such vessel to Oriental Fleet. |
| Pricing terms: | The pricing terms were determined by the Company through methods such as price inquiry and comparison and negotiation, based on key commercial factors including the vessel construction price, technical specifications, and delivery schedule, with reference to the prevailing market rental quotations provided by independent third-party leasing companies, and were finalized pursuant to arm's length and fair negotiations between the contracting parties. The Board confirms that terms provided by Oriental Fleet under the Charter Party are no less favorable than the terms provided by independent third parties of the Group in relation to similar vessel leasing services. For further details, please refer to the paragraphs headed "*Charter – Rental amount*" in this announcement. |

| | |
|---|---|
| Effectiveness: | The effectiveness of the Charter Party is subject to the satisfaction of following conditions.<br><br>Both contracting parties have obtained all applicable approvals for signing and implementing the Charter Party and the transactions thereunder as required by the articles of association, applicable laws and regulations as well as applicable provisions under the Hong Kong Listing Rules, including the applicable approvals of the Board and Independent Shareholders (as applicable).<br><br>In the avoidance of doubt, the Charter Party shall come into effect upon the approval of Independent Shareholders; and the specific lease term of each vessel shall commence from each delivery date. For details of the lease term of each vessel, please refer to the subsection headed "*Charter – Lease arrangements and period*" set out above in this announcement. |

**Rental Amount**

No transaction amount is expected to be incurred for the three years ending 31 December 2028 as the relevant vessels are expected to be delivered at different time points in 2029 and 2030, respectively.

In order to comprehensively balance the uncertainty of future market fluctuations, the Company adopts a relatively balanced portfolio structure under the Charter Party, comprising eight (8) vessels under a fixed bareboat charter rate and eight (8) vessels under a floor rate with profit-sharing mechanism. With reference to factors such as prevailing market rent by other leasing companies, vessel construction price, vessel specifications and delivery date, among all institutions participating in the bidding competition, the quotation of Oriental Fleet was the best from a comprehensive perspective. Accordingly, the following rental arrangements have been further negotiated with Oriental Fleet:

**(1) Fixed Rent Terms**

For the fixed rent of 16 vessels, the average daily rent amounted to RMB116,520/vessel (exclusive of tax, the "**Fixed Lease Payments**"). Such average daily rent was calculated by taking the summation of (i) fixed rent of eight (8) Chartered Vessels which are subject to Fixed Lease Payments only; and (ii) guaranteed daily rent of eight (8) Chartered Vessels which are subject to Variable Lease Payments, divided by sixteen (16), being the total quantity of the Chartered Vessels.

(**2**) **Variable Rent Terms**

The variable lease payments (the "**Variable Lease Payments**") shall be linked to the monthly average of the time charter equivalent of the Middle East to China freight route (the "**TD3C Route**") announced by the Baltic Exchange (the "**TD3C-TCE**"). If the monthly average of the TD3C-TCE is lower than the benchmark agreed upon by the parties, no variable rent shall be payable, and the daily rent payable in respect of each of the eight (8) Chartered Vessels subject to Variable Lease Payments shall be equal to the guaranteed daily rent. If the monthly average of the TD3C-TCE exceeds the benchmark agreed upon by the parties, the amount in excess of that benchmark shall be shared between the parties as agreed between them, and the daily rent payable in respect of each of the eight (8) Chartered Vessels subject to Variable Lease Payments shall be equal to the guaranteed daily rent plus the variable rent. The US dollar amount of the profit-sharing component of the rent for each period (if any) shall be converted into Renminbi using the monthly average of the central parity rates of Renminbi against the US dollar published by the China Foreign Exchange Trade System under the People's Bank of China for the relevant month. For illustrative purpose only, assuming an exchange rate of US$1 to RMB6.50, the daily rent is calculated as follows: daily rent = guaranteed daily rent + (TD3C-TCE × 3.25) − 86,482.5. If the monthly average of the TD3C-TCE exceeds the benchmark agreed upon by both parties for triggering a change of the reference index, Pan Cosmos shall have the right to request that the reference index for the Variable Lease Payments be switched to the time charter equivalent of the West Africa to China freight route (the "**TD15 Route**") announced by the Baltic Exchange (the "**TD15-TCE**"); upon mutual agreement, the parties may determine an alternative pricing mechanism for the Variable Lease Payments. The Variable Lease Payments shall be paid on a quarterly basis.

Based on the actual performance of the TD3C-TCE and TD15-TCE since 2017 and market expectations for the next 20 years, the annual variable rent of the eight (8) vessels will not exceed RMB320 million.

The expected annual rent incurred for sixteen (16) vessels after delivery will be between RMB680 million (excluding taxes and fees) and RMB1 billion (excluding taxes and fees) based on spot market freight rate, taking into account the potential rent adjustments as detailed above. Among which, save for the three years ending 31 December 2028, the Company expects that the maximum annual amount for the Variable Lease Payments under the Charter Party for each of years ending 31 December 2050 shall be RMB320 million.

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

**Hong Kong Financial Reporting Standards**

According to Hong Kong Financial Reporting Standards, the Fixed Lease Payments are of a capital nature, and the Chartered Vessels will be recognised as the Group's right-of-use assets on the commencement date of the lease terms of relevant vessels, with an estimated average amount of RMB651 million per vessel, which is calculated based on the prevailing interest rate of the 20-year treasury bonds. The exact amount is subject to be determined on the commencement date of the lease terms of relevant vessels, and shall be determined subject to the requirements of the applicable accounting standards at that time regarding the recognition of various value elements and shall be based on the confirmation by the auditor. On the other hand, the Variable Lease Payments will be linked to the TD3C-TCE or TD15-TCE announced by The Baltic Exchange, and will be recognised as the Group's expenditure during the term of the Charter Party.

**Independent Financial Adviser's opinion on the term**

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

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

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

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

In assessing whether the lease term under the Charter Party is in line with normal business practice, the Independent Financial Adviser has, on a best effort basis, conducted desktop research to identify recent comparable market precedents. Based on the following selection criteria, the Independent Financial Adviser has identified 20 comparable transactions (the "**Comparable Transactions**") which are considered to be exhaustive and representative: (i) transactions involving the operating lease of vessels with a lease term of over three years which constituted notifiable transactions as announced by companies listed on the Hong Kong Stock Exchange during the period from 12 May 2025 to 11 November 2026, being the date of the Charter Party (the "**Review Period**"); and (ii) such companies being classified under the same subsector as the Group, namely "Industrials – Industrial Transportation – Shipping & Port Operation" under the Hang Seng Industry Classification System issued by Hang Seng Indexes Company Limited, which covers 12 industries, 31 sectors and 114 subsectors of companies listed on the Hong Kong Stock Exchange. The Comparable Transactions include two transactions entered into by the Group during the Review Period as such transactions satisfy the selection criteria above. The Independent Financial Adviser considers the Review Period of 18 months to be reasonable as it is sufficiently recent to reflect prevailing market conditions and practices, and is sufficiently long to capture a meaningful sample of comparable transactions. Details of the Comparable Transactions are set out in the table below:

| Date of initial announcement | Stock code | Company name | Counterparty(ies) | Leased asset(s) | Lease term |
|---|---|---|---|---|---|
| 17 August 2026 | 2409 | Seacon Shipping Group Holdings Limited | Independent third parties | Oil/chemical tankers | 120 months |
| 29 July 2026 | 2866 | COSCO SHIPPING Development | Connected person | Bulk carriers | 240 months ± 120 days |
| 29 July 2026 | 137 | Jinhui Holdings Company Limited | Independent third parties | Bulk carriers | 84 months |
| 28 July 2026 | 137 | Jinhui Holdings Company Limited | Independent third parties | Bulk carriers | 60 months |
| 30 June 2026 | 3877 | CSSC (Hong Kong) Shipping Company Limited | Independent third party | Very large ammonia carrier | 120 months |
| 30 June 2026 | 2866 | COSCO SHIPPING Development | Connected person | Multipurpose grain vessels, bulk carriers and dry cargo vessels | 240 months ± 120 days |
| 3 June 2026 | 2490 | LC Logistics, Inc. | Independent third party | Container vessel | 120 months |

| Date of initial announcement | Stock code | Company name | Counterparty(ies) | Leased asset(s) | Lease term |
|---|---|---|---|---|---|
| 26 May 2026 | 1138 | The Company | Independent third party | Large gas carriers | 240 months |
| 21 May 2026 | 2866 | COSCO SHIPPING Development | Connected person | Bulk carriers | 240 months ± 180 days |
| | | | | Bulk carriers | 180 months ± 90 days |
| 27 April 2026 | 1308 | SITC International Holdings Company Limited | Connected person | Container ship | 180 months |
| 27 March 2026 | 716 | Singamas Container Holdings Limited | Connected person | Containers | Not more than 180 months |
| 4 March 2026 | 3877 | CSSC (Hong Kong) Shipping Company Limited | Independent third parties | Feeder containers | 120 months |
| 26 December 2025 | 2409 | Seacon Shipping Group Holdings Limited | Independent third parties | Bulk carriers | 180 months |
| 30 October 2025 | 2866 | COSCO SHIPPING Development | Connected person | Bulk cargo vessels | 240 months ± 180 days |
| 30 October 2025 *(Note)* | 2866 | COSCO SHIPPING Development | Connected person | VLCCs | 240 months ± 90 days |
| 16 October 2025 | 2409 | Seacon Shipping Group Holdings Limited | Independent third parties | Bulk carriers | 180 months |
| 13 October 2025 | 716 | Singamas Container Holdings Limited | Connected person | Containers | Approximately 129 months |
| 26 August 2025 | 2866 | COSCO SHIPPING Development | Independent third party | LNG carrier | 240 months |
| 29 July 2025 | 2866 | COSCO SHIPPING Development | Connected person | Bulk cargo vessels | 240 months ± 90 days |

| Date of initial announcement | Stock code | Company name | Counterparty(ies) | Leased asset(s) | Lease term |
|---|---|---|---|---|---|
| 30 June 2025 | 137 | Jinhui Holdings Company Limited | Independent third parties | Bulk carriers | 84 months |

*Note:* According to the announcement of COSCO SHIPPING Development dated 30 October 2025, the counterparty to the relevant leasing agreement was Pan Cosmos, a wholly-owned subsidiary of the Company. Therefore, the transactions contemplated thereunder were also regarded as transactions entered into by the Group.

As illustrated in the table above, the lease terms of the Comparable Transactions ranged from 60 months to 240 months ± 180 days. The lease term of 240 months ± 90 days under the Charter Party falls within the range of the lease terms of the Comparable Transactions.

Given that (i) the lease term under the Charter Party falls within the range of the lease terms of the Comparable Transactions; (ii) a lease term of 240 months for the lease of vessels is not uncommon in the shipping industry as demonstrated by the Comparable Transactions; and (iii) a longer-term agreement is commercially sensible for a shipping company to secure long-term and stable transportation services, the Independent Financial Adviser considers that the lease term of 240 months under the Charter Party is in line with normal business practice.

## REASONS FOR AND BENEFITS OF THE CHARTER

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

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

### 2. Expansion of Shipping-Finance Cooperation Model and Optimization of Capital Structure and Cash Flow Management

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

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

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

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

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

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

**Internal Control Measures**

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

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

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

(iii) The Company will monitor and summarize the Variable Lease Payments recorded under the Charter Party on a quarterly basis and submit periodic reports to the management of the Company, which set out, among other things, past transaction amounts, expected future transaction amounts, and the relevant maximum annual cap. If the Variable Lease Payments recorded has reached 80% of the aforementioned maximum annual cap (i.e., RMB320 million), an immediate report shall be made to the management of the Company. This will allow the Company's management and relevant departments to be promptly informed of the status of continuing connected transactions, ensuring that such transactions are conducted within the applicable parameters of the maximum annual cap;

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

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

## INFORMATION ON THE COMPANY, PAN COSMOS, COSCO SHIPPING DEVELOPMENT AND ORIENTAL FLEET

### The Company

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

**Pan Cosmos**

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

**COSCO SHIPPING Development**

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

**Oriental Fleet**

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

**IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

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

As at the date of this announcement, COSCO SHIPPING directly holds 1,026,369,981 A Shares, while China Shipping Group Company Limited* (中國海運集團有限公司) (a wholly-owned subsidiary of COSCO SHIPPING) and its subsidiaries hold 1,536,924,595 A Shares. Accordingly, COSCO SHIPPING and its associates control or are entitled to exercise control over the voting rights in respect of 2,563,294,576 A Shares, representing approximately 46.85% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is the controlling Shareholder of the Company and is thus a connected person of the Company.

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

Pursuant to Rules 14.22 and 14A.81 of the Hong Kong 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 counterparty of the Aggregated Transactions is a connected person and having regard to factors such as the types of vessels involved, the usage of the vessels and the investment objectives of the transactions, the Company considers that the Aggregated Transactions are similar in nature to the transactions contemplated under the Charter and shall be aggregated with the related Fixed Lease Payments. As one or more applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules in relation to the value of the right-of-use assets under the Charter exceed 5% but are all less than 25% (whether individually or upon aggregation with the Aggregated Transactions), the transactions contemplated under the Charter and the related Fixed Lease Payments constitute discloseable and connected transactions of the Company which are subject to the notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules, as well as the announcement, Independent Shareholders' approval, circular, and annual reporting requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio for the maximum annual amount of the Variable Lease Payments over the charter period is above 0.1% but below 5%, the Variable Lease Payments under the Charter constitute a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules which is subject to the reporting and announcement requirements but is exempt from compliance with the Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

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

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

## INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

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

## EGM

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

A circular containing, among other things, details of the acquisition of right-of-use assets under the Charter, a letter from the Independent Board Committee with its recommendation to the Independent Shareholders, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, as well as a notice convening the EGM will be dispatched to the Shareholders on or before 4 December 2026 in accordance with the Hong Kong Listing Rules, as additional time is required to prepare certain information in the circular.

## DEFINITIONS

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

| | |
|---|---|
| "A Share(s)" | the domestic share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange |

| | |
|---|---|
| "Aggregated Transactions" | the shipbuilding contracts dated 9 November 2026 entered into between COSCO SHIPPING Energy Transportation (Hainan) Co., Ltd.* (海南中遠海運能源運輸股份有限公司) (a wholly-owned subsidiary of the Company) and COSCO SHIPPING Heavy Industry (Yangzhou) Co., Ltd.*(揚州中遠海運重工有限公司) for the construction of six VLCCs. For details, please refer to the announcement of the Company dated 9 November 2026 |
| "associate(s)" | has the meaning ascribed to it under the Hong Kong Listing Rules |
| "Baltic Exchange" | The Baltic Exchange |
| "Board" | the board of Directors |
| "Charter" | the transaction for the charter of the Chartered Vessels by Pan Cosmos (as the lessee) and Oriental Fleet (as the owner/lessor) in accordance with the Charter Party |
| "Charter Party" | the Bareboat Charter Party dated 11 November 2026, entered into by Pan Cosmos (as the lessee) and Oriental Fleet (as the owner/lessor) in relation to the Charter, details of which are set out in this announcement |
| "Chartered Vessels" | has the meaning ascribed to it in the section headed "*Charter*" of this announcement |
| "Company" | COSCO SHIPPING Energy Transportation Co., Ltd.* (中遠海運能源運輸股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1138) and the Shanghai Stock Exchange (Stock Code: 600026), respectively |
| "controlling Shareholder(s)" | has the meaning ascribed to it under the Hong Kong Listing Rules |
| "COSCO SHIPPING" | China COSCO SHIPPING Corporation Limited* (中國遠洋海運集團有限公司), a PRC state-owned enterprise and an indirect controlling shareholder of the Company |
| "COSCO SHIPPING Development" | COSCO SHIPPING Development Co., Ltd.* (中遠海運發展股份有限公司), a joint stock limited company established in the PRC, the H shares and the A shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 02866) and the Shanghai Stock Exchange (Stock Code: 601866), respectively |

| | |
|---|---|
| "COSCO SHIPPING Group" | COSCO SHIPPING and its subsidiaries (excluding the Group) |
| "Director(s)" | director(s) of the Company |
| "EGM" | the extraordinary general meeting of the Shareholders to be convened by the Company to consider and, if thought fit, to approve (amongst others) the Charter Party and the transactions contemplated thereunder |
| "Fixed Lease Payments" | the amounts payable by Pan Cosmos (as the lessee) to Oriental Fleet (as the lessor) for the right to use the Chartered Vessels during the term of the lease (excluding Variable Lease Payments), and has the meaning ascribed to it in the section headed "*Charter*" of this announcement |
| "Group" | the Company and its subsidiaries, and "any member of the Group" refers to the Company or any one of its subsidiaries |
| "H Share(s)" | overseas listed foreign share(s) of par value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the Main Board of the Hong Kong Stock Exchange |
| "HKFRS" | Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants from time to time |
| "Hong Kong" | the Hong Kong Special Administrative Region of the People's Republic of China |
| "Hong Kong Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "Hong Kong Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Independent Board Committee" | the independent board committee of the Company comprising Mr. LI Kin Fai, Mr. CHEN Gang and Ms. CHENG Yan, being all the independent non-executive Directors, which is established to advise the Independent Shareholders in respect of the Charter Party and the transactions contemplated thereunder |
| "Independent Financial Adviser" | TC Capital International Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company |

| | |
|---|---|
| "Independent Shareholder(s)" | Shareholder(s) other than COSCO SHIPPING and its associates |
| "Oriental Fleet" | Oriental Fleet International Company Limited* (東方富利國際有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of COSCO SHIPPING Development, and the lessor of the Chartered Vessels |
| "Pan Cosmos" | Pan Cosmos Shipping & Enterprises Co., Ltd. (寰宇船務企業有限公司), a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company, and the lessee of the Chartered Vessels |
| "PRC" or "China" | the People's Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Share(s)" | A Share(s) and H Share(s) |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Variable Lease Payments" | has the meaning ascribed to it in the section headed "*Charter*" of this announcement |

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

Shanghai, the PRC
11 November 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.*

* *For identification purposes only*