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If you have sold or transferred all your shares in COSCO SHIPPING Energy Transportation Co., Ltd., you should at once hand this circular, the form of proxy and the reply slip to the purchaser or transferee or to licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
THE RULES AND PROCEDURES OF SHAREHOLDERS' GENERAL MEETINGS,
THE RULES AND PROCEDURES OF MEETINGS OF THE BOARD OF DIRECTORS,
AND
THE RULES AND PROCEDURES OF MEETINGS OF THE SUPERVISORY COMMITTEE
(2) EXTENSION OF VALIDITY PERIOD OF SHAREHOLDERS' RESOLUTIONS AND
AUTHORISATION GRANTED TO THE BOARD TO HANDLE ALL MATTERS RELATING
TO THE PROPOSED NON-PUBLIC ISSUANCE OF A SHARES
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING
AND
(4) NOTICE OF H SHARES CLASS MEETING**

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders



Capitalised terms used in this cover shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 6 to 15 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on pages 16 to 17 of this circular. A letter from Messis Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 27 of this circular.

A notice convening the EGM to be held at 10:00 a.m. on Tuesday, 17 December 2019 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the People's Republic of China was despatched to the Shareholders on 1 November 2019, which is reproduced on pages EGM-1 to EGM-4 of this circular.

A notice convening the H Shares Class Meeting to be held at 10:00 a.m. on Tuesday, 17 December 2019 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the People's Republic of China (to be held in the order of the EGM, the A Shares Class Meeting and the H Shares Class Meeting) was despatched to the Shareholders on 1 November 2019, which is reproduced on pages HCM-1 to HCM-3 of this circular.

The respective proxy forms for use at the EGM and the H Shares Class Meetings were despatched on 1 November 2019. Whether or not you are able to attend the above meetings, please complete and return the proxy forms in accordance with the instructions printed thereon as soon as possible and in any event by not less than 24 hours before the time appointed for the holding of the meeting or any adjournment thereof (i) in case of holders of H Shares, to the Company's Hong Kong branch share registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, (ii) in case of holders of A shares, 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 proxy form will not preclude you from attending and voting in person at the meeting or at any adjourned meetings should you so wish.

25 November 2019

* For identification purposes only

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DEFINITIONS

In this circular, unless the context otherwise requires, the expressions below shall have the following meanings:

“2017 Class Meetings”	the class meeting of A Shareholders and the class meeting of H Shareholders held on 18 December 2017
“2017 EGM”	the extraordinary general meeting of the Company held on 18 December 2017
“2017 EGM Circular”	the circular of the Company dated 4 December 2017
“2018 Class Meetings”	the class meeting of A Shareholders and the class meeting of H Shareholders held on 17 December 2018
“2018 EGM”	the extraordinary general meeting of the Company held on 17 December 2018
“2018 EGM Circular”	the circular of the Company dated 30 November 2018
“2019 Class Meetings”	the class meeting of A Shareholders and the class meeting of H Shareholders held on 26 July 2019
“2019 EGM”	the extraordinary general meeting of the Company held on 26 July 2019
“2019 EGM Circular”	the circular of the Company dated 5 July 2019
“A Share(s)”	Renminbi-denominated domestic share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“A Shareholder(s)”	holder(s) of A Share(s)
“A Shares Class Meeting”	the class meeting of the A Shareholders to be convened to consider and, if thought fit, approve, among other things, the Extension Resolutions
“Amendment Resolution”	the resolution proposed at the 2019 EGM and the 2019 Class Meetings in relation to, amongst other things, the supplement to the Price Floor Mechanism
“Articles of Association”	the articles of association of the Company
“Benchmark Price”	for illustration purpose only, RMB6.81 being the net asset value per Share set out in the most recent audited consolidated financial statements of the Company as at the latest practicable date of the 2017 EGM Circular (i.e. 1 December 2017)

DEFINITIONS

“Board”	the board of Directors
“Board Authorisation Extension Resolution”	the proposed resolutions to extend the validity period of the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares, for a further period of 12 months, commencing from 18 December 2019, being the date after the expiry date of the existing validity period, to 17 December 2020
“Cap”	the maximum of 806,406,572 A Shares to be issued pursuant to the Proposed Non-public Issuance of A Shares
“Class Meetings”	the A Shares Class Meeting and the H Shares Class Meeting
“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 established in the PRC, whose H shares and A shares are listed on Main Board of the Hong Kong Stock Exchange (Stock Code: 1138) and the Shanghai Stock Exchange (Stock Code: 600026), respectively
“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 the indirect controlling shareholder of the Company
“COSCO Shipping Concert Group”	COSCO Shipping and parties acting in concert with it for the purpose of the Takeovers Code, including CSG and its subsidiaries
“CSG”	China Shipping Group Company Limited* (中國海運集團有限公司) (original name: China Shipping (Group) Company* (中國海運(集團)總公司)), a PRC state-owned enterprise wholly-owned by COSCO Shipping and the direct controlling shareholder of the Company
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Amendments and (ii) the Extension Resolutions
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of its delegate(s)
“Extension Resolutions”	the Share Issuance Extension Resolution and the Board Authorisation Extension Resolution

DEFINITIONS

“Group”	the Company and its subsidiaries as at the date of this circular
“H Share(s)”	the overseas listed foreign share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Share(s)
“H Shares Class Meeting”	the class meeting of the H Shareholders to be convened to consider and, if thought fit, approve, among other things, the Extension Resolutions
“Hong Kong”	the 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 of the Company comprising Mr. Ruan Yongping, Mr. Ip Sing Chi, Mr. Rui Meng and Mr. Teo Siang Seng, being all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the Extension Resolutions in accordance with the Listing Rules
“Independent Financial Adviser”	Messis Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Extension Resolutions
“Independent Shareholders”	Shareholders other than (i) COSCO Shipping and parties acting in concert with it and (ii) all other parties (if any) who are interested or involved in the Proposed Non-public Issuance of A Shares and the Extension Resolutions
“Issue Price”	the issue price of the A Shares underlying the Proposed Non-public Issuance of A Shares
“Latest Practicable Date”	19 November 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“NAV Price Floor”	the net asset value per share (that is the net assets attributable to the shareholders of the ordinary shares of the Company as at the relevant financial year end date divided by the Company’s total share capital as at the relevant financial year end date) as set out at the latest audited consolidated financial statement of the Company, being one of the two limiting parameters underlying the Price Floor Mechanism
“New Whitewash Waiver”	a waiver granted by the Executive on 24 July 2019 pursuant to Note 1 on dispensation from Rule 26 of the Takeovers Code in respect of the obligation of COSCO Shipping to make a general offer for all the issued A Shares (and a comparable offer to acquire all issued H Shares) not already owned by or agreed to be acquired by the COSCO Shipping Concert Group which may otherwise arise as a result of the Subscription
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and the region of Taiwan
“Price Determination Date”	the first day of the period when the A Shares are issued under the Proposed Non-public Issuance of A Shares
“Price Floor Mechanism”	the mechanism by which the price floor in respect of the Issue Price is determined, being the higher of the Share Trading Price Floor and the NAV Price Floor
“Proposed Amendments”	collectively, the proposed amendments to (i) the Articles of Association; (ii) the Rules and Procedures of Shareholders’ General Meetings; (iii) the Rules and Procedures of Meetings of the Board of Directors; and (iv) the Rules and Procedures of Meetings of the Supervisory Committee
“Proposed Amendments Announcement”	the announcement of the Company dated 30 October 2019 in relation to the Proposed Amendments
“Proposed Non-public Issuance of A Shares”	the proposed non-public issuance of not more than 806,406,572 A Shares by the Company to not more than 10 specific target subscribers, including COSCO Shipping which proposes to participate via the Subscription
“RMB”	Renminbi, the lawful currency of the PRC
“Rules and Procedures of Meetings of the Board of Directors”	the rules and procedures of meetings of the board of directors of the Company
“Rules and Procedures of Meetings of the Supervisory Committee”	the rules and procedures of meetings of the supervisory committee of the Company

DEFINITIONS

“Rules and procedures of Shareholders’ General Meeting”	the rules and procedures of shareholders’ general meetings of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented, or otherwise modified from time to time)
“Share Issuance Extension Resolution”	the proposed resolution to extend the validity period of the then Independent Shareholders’ resolutions relating to the Proposed Non-public Issuance of A Shares, for a further period of 12 months, commencing from 18 December 2019, being the date after the expiry date of the existing validity period, to 17 December 2020
“Share Trading Price Floor”	90% of the average trading price of the A Shares during the 20 trading days immediately preceding the Price Determination Date, being one of the two limiting parameters underlying the Price Floor Mechanism
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Share(s)
“Subscription”	the proposed subscription of A Shares by COSCO Shipping pursuant to the Subscription Agreement (as supplemented by the Supplemental Agreement)
“Subscription Agreement”	the subscription agreement dated 30 October 2017 entered into between the Company and COSCO Shipping, pursuant to which COSCO Shipping has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, such number of A Shares for an amount of not more than RMB4.2 billion under the Proposed Non-public Issuance of A Shares
“Supplemental Agreement”	the supplemental agreement dated 29 May 2019 entered into between the Company and COSCO Shipping to incorporate the changes to the Proposed Non-public Issuance of A Shares in connection with the Amendment Resolution
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

* *For identification purposes only.*

LETTER FROM THE BOARD



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)

Executive Directors

Mr. Liu Hanbo
Mr. Zhu Maijin

Non-executive Directors

Mr. Feng Boming
Mr. Zhang Wei
Ms. Lin Honghua

Independent Non-executive Directors

Mr. Ruan Yongping
Mr. Ip Sing Chi
Mr. Rui Meng
Mr. Teo Siong Seng

Registered address in the PRC

Room A-1015
No. 188 Ye Sheng Road
China (Shanghai) Pilot Free Trade Zone
People's
Republic of China

Place of business in the PRC

670 Dongdaming Road
Hongkou District, Shanghai
People's Republic of China

Principal place of business in Hong Kong

RMS 3601-3602
36/F West Tower, Shun Tak CTR
168-200 Connaught RD Central
Hong Kong

25 November 2019

To the Shareholders,

Dear Sir or Madam,

- (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
THE RULES AND PROCEDURES OF SHAREHOLDERS' GENERAL MEETINGS,
THE RULES AND PROCEDURES OF MEETINGS OF THE BOARD OF DIRECTORS,
AND
THE RULES AND PROCEDURES OF MEETINGS OF THE SUPERVISORY COMMITTEE
(2) EXTENSION OF VALIDITY PERIOD OF SHAREHOLDERS' RESOLUTIONS AND
AUTHORISATION GRANTED TO THE BOARD TO HANDLE ALL MATTERS RELATING
TO THE PROPOSED NON-PUBLIC ISSUANCE OF A SHARES
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING
AND
(4) NOTICE OF H SHARES CLASS MEETING**

* *For identification purposes only*

LETTER FROM THE BOARD

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES AND PROCEDURES OF SHAREHOLDERS' GENERAL MEETINGS, THE RULES AND PROCEDURES OF MEETINGS OF THE BOARD OF DIRECTORS AND THE RULES AND PROCEDURES OF MEETINGS OF THE SUPERVISORY COMMITTEE

I. The Proposed Amendments

Reference is made to (i) the Proposed Amendments Announcement and (ii) the overseas regulatory announcement of the Company dated 30 October 2019 in relation to the Proposed Amendments. As disclosed in the Proposed Amendments Announcement, the Board proposed to make certain amendments to (i) the Articles of Association; (ii) the Rules and Procedures of Shareholders' General Meetings; (iii) the Rules and Procedures of Meetings of the Board of Directors; and (iv) the Rules and Procedures of Meetings of the Supervisory Committee, in order to, among other things, (i) reflect recent amendments to the relevant laws and regulations of the PRC and Hong Kong; (ii) reflect the establishment of the risk control committee of the Board; and (iii) further improve the corporate governance of the Company.

The full text of the Proposed Amendments, which were prepared in the Chinese language, is set out in Appendix I to Appendix IV to this circular. In the event of any discrepancy between the English translation and the Chinese version of the Proposed Amendments, the Chinese version shall prevail.

The Proposed Amendments are subject to the approval by the Shareholders by way of special resolutions at the EGM and the approval of, and registration or filing with, the relevant PRC governmental authorities.

The purpose of this circular is to provide you with, among other things, further details of the Proposed Amendments.

II. Recommendation

The Directors (including the independent non-executive Directors) are of the view that the Proposed Amendments are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all the Shareholders to vote in favour of the special resolutions in relation to the Proposed Amendments as set out in the notice of the EGM.

EXTENSION OF VALIDITY PERIOD OF SHAREHOLDERS' RESOLUTIONS AND AUTHORISATION GRANTED TO THE BOARD TO HANDLE ALL MATTERS RELATING TO THE PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

I. Introduction

Reference is made to the announcements of the Company dated 31 October 2017, 15 December 2017, 18 December 2017, 27 December 2017, 6 February 2018, 5 March 2018, 9 May 2018, 30 October 2018, 17 December 2018, 29 May 2019, 4 June 2019, 19 June 2019, 5 July 2019, 26 July 2019, 25 October 2019 and 30 October 2019, and the 2017 EGM Circular, 2018 EGM Circular and 2019 EGM Circular in respect of, inter alia, the Proposed Non-public Issuance of A Shares.

LETTER FROM THE BOARD

At the 2017 EGM and the 2017 Class Meetings held on 18 December 2017, the then Independent Shareholders approved, among others, the proposed non-public issuance of not more than 806,406,572 A Shares by the Company to not more than 10 specific target subscribers, including COSCO Shipping, under the Proposed Non-public Issuance of A Shares.

At the 2018 EGM and the 2018 Class Meetings held on 17 December 2018, the then Independent Shareholders approved the extension of the validity period of the Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares and the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares for a further period of 12 months, i.e. commencing from 18 December 2018 to 17 December 2019.

At the 2019 EGM and the 2019 Class Meetings held on 26 July 2019, the then Independent Shareholders approved, among others, the Amendment Resolution.

The purpose of this section of the circular is to provide you with information regarding the Extension Resolutions, in order to seek your approval of the special resolutions in relation to the aforesaid matters to be proposed at the EGM and the H Shares Class Meeting.

II. Summary of principal terms of the Proposed Non-public Issuance of A Shares

As set out in the 2017 EGM Circular, the Proposed Non-public Issuance of A Shares would be carried out by way of non-public issue of A Shares to not more than 10 specific target subscribers, including COSCO Shipping. The target subscribers other than COSCO Shipping include securities investment fund management companies, securities companies, trust investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors and other qualified investors in compliance with applicable laws and regulations. The final list of subscribers (other than COSCO Shipping) will be determined by the Board and its authorised person(s) with the authorisation by the Shareholders at the 2017 EGM and the 2017 Class Meetings and the sponsor (the lead manager) based on the price inquiry results in accordance with the price priority principle and applicable laws and regulations, after obtaining the approval documents issued by the CSRC in respect of the Proposed Non-public Issuance of A Shares.

The maximum number of Shares to be issued under the Proposed Non-public Issuance of A Shares would be 806,406,572 A Shares (referred to as the “Cap” below). The Cap will be adjusted if there occurs any ex-right or ex-dividend event (such as distribution of dividend (excluding cash dividend), bonus issue, capitalization of capital reserves, additional issuance or placing of new Shares) between date of the announcement of the Company dated 31 October 2017 and the date of share issuance under the Proposed Non-public Issuance of A Shares. Subject to the Cap, the Board and its authorised person(s) were granted at the 2017 EGM and 2017 Class Meetings such authority as necessary for determining the final number of A Shares to be issued based on the market conditions and negotiations with the sponsor (the lead manager) with reference to the amount of proceeds to be raised and the actual amount of subscription received.

The issue price shall not be lower than both (i) 90% of the average trading price of the A Shares during the 20 trading days immediately preceding the Price Determination Date, which is calculated by dividing the total turnover of the A Shares by the total trading volume of the A Shares during the 20 trading days immediately preceding the Price Determination Date (that is, the Share Trading Price Floor) and (ii) the net asset value per share as set out at the latest audited consolidated financial statement of the Company

LETTER FROM THE BOARD

(that is, the NAV Price Floor). The final issue price will be determined by the Board and its authorised person(s) with the authorization by the Shareholders at the 2017 EGM and the 2017 Class Meetings and the sponsor (the lead manager) based on the price inquiry results in accordance with the price priority principle and applicable laws and regulations, after obtaining the approval documents issued by the CSRC in respect of the Proposed Non-public Issuance of A Shares. All the target subscribers will subscribe for the A Shares under the Proposed Non-public Issuance of A Shares at the same issue price in cash. COSCO Shipping will not participate in the price inquiry exercise for the Proposed Non-public Issuance of A Shares, and will accept the price inquiry results and subscribe for the A Shares at the same issue price as other target subscribers.

As set out in the 2017 EGM Circular, given the net asset value per Share as set out in the most recent audited consolidated financial statements of 2016 of the Company is RMB6.81, it is expected the minimum issue price would, subject to regulatory approval, be at least RMB6.81 (that is, the Benchmark Price). In the event that the issue price is expected to fall below the Benchmark Price, the Company will re-comply with the necessary approval requirements including, among other things, Independent Shareholders' approval requirements under the Listing Rules and for a new whitewash waiver under the Takeovers Code. The issue price will be correspondingly adjusted (taking into account the decrease in value per share attributable to the Company as a result of distribution by the Company) if there occurs any ex-right or ex-dividend event (such as distribution of dividend, bonus issue, capitalization of capital reserves, additional issuance or placing of new Shares) between the Price Determination Date and the date of share issuance under the Proposed Non-public Issuance of the A Shares.

As set out in the 2019 EGM Circular, in order to take into account also the effect of dividends and other rights events (such as bonus issue, capitalization of capital reserves, additional issuance or placing of new Shares), the Amendment Resolution has been approved in the 2019 EGM to supplement the Price Floor Mechanism such that:

- (i) if there exists between (a) the date to which the latest audited consolidated statement of financial positions is made up to, and (b) the date of share issuance under the Proposed Non-public Issuance of the A Shares any ex-right or ex-dividend events (such as distribution of dividend, bonus issue, capitalization of capital reserves, additional issuance or placing of new Shares), the NAV Price Floor shall be adjusted downwards to take into account the effect of such event(s); and
- (ii) if any such ex-right/ex-dividend event takes place during the 20-trading day reference period underlying the Share Trading Price Floor, such that the Company's shares are quoted cum-right/dividend for part of the period and ex-right/dividend for the other part of the period, downward adjustments to the Share Trading Price Floor taking into account the effect of rights/dividends shall be applied to the trading prices of each cum-dividend trading day throughout the entire 20-trading day period.

The Amendment Resolution also supplemented the Proposed Non-public Issuance of A Shares such that in the event no effective bid is made after the aforesaid price inquiry exercise, the floor price deduced from the Price Floor Mechanism will be determined as the final Issue Price. The Board expected the final Issue Price to be not lower than the Benchmark Price.

LETTER FROM THE BOARD

COSCO Shipping shall not transfer the A Shares subscribed under the Proposed Non-public Issuance of A Shares within 36 months from the date of completion of the Proposed Non-public Issuance of A Shares. All other target subscribers shall not transfer the A Shares subscribed under the Proposed Non-public Issuance of A Shares within 12 months from the date of completion of the Proposed Non-public Issuance of A Shares.

In the 2017 EGM Circular, it was stated that the Proposed Non-public Issuance of A Shares would raise gross proceeds of RMB5.4 billion (subject to regulatory approval). The Company has also entered into the Subscription Agreement with COSCO Shipping such that the Company has conditionally agreed to issue to COSCO Shipping such number of A Shares for an amount of not more than RMB4.2 billion under the Proposed Non-public Issuance of A Shares.

It was illustrated in the 2017 EGM Circular that, assuming (i) COSCO Shipping subscribes for A Shares for RMB4.2 billion at the Benchmark Price, (ii) other targeted subscribers apart from COSCO Shipping subscribe for A Shares for an aggregate of RMB1.2 billion at the Benchmark Price, and (iii) there being no other changes to the issued share capital of the Company save for the issuance of A Shares under the Proposed Non-public Issuance of A Shares, the COSCO Shipping Concert Group's holding of voting rights in respect of all the Shares is expected to increase from approximately 38.56% to approximately 45.00% on a fully diluted basis.

As set out in the 2019 EGM Circular, in the event COSCO Shipping subscribes up to its full commitment of RMB4.2 billion under the Proposed Non-public Issuance of A Shares and the other targeted subscribers in the aggregate subscribe for less than RMB1.2 billion, the shareholding interest in the Company held by the COSCO Shipping Concert Group will exceed 45.00% on a fully diluted basis.

It was illustrated in the 2019 EGM Circular that, assuming (i) COSCO Shipping subscribes for A Shares for RMB4.2 billion at the Benchmark Price, (ii) COSCO Shipping is the sole subscriber and no other target subscriber subscribes under the Proposed Non-public Issuance of A Shares such that a total gross proceeds of RMB4.2 billion is raised, and (iii) there being no other changes to the issued share capital of the Company save for the issuance of A Shares under the Proposed Non-public Issuance of A Shares, the COSCO Shipping Concert Group's holding of voting rights in respect of all the Shares is expected to increase from approximately 38.56% to approximately 46.71% on a fully diluted basis.

Accordingly, while the proceeds to be raised under the Proposed Non-public Issuance of A Shares are subject to a maximum of RMB5.4 billion, the actual amount that may be raised is subject to the results of the price inquiry exercise to be conducted pursuant to the Proposed Non-public Issuance of A Shares, and that the resultant shareholding structure of the Company following completion of the Proposed Non-public Issuance of A Shares shall be adjusted accordingly based on the combination of the level of participation by other investors in the Proposed Non-public Issuance of A Shares and the Price Floor Mechanism.

As disclosed in the 2017 EGM Circular, the Board considered that the Proposed Non-public Issuance of A Shares is conducive to the comprehensive and sustainable development of the Company's business and would provide funding for the Company's further development in its maritime transportation business.

LETTER FROM THE BOARD

As set out in the 2019 EGM Circular, the intended use of proceeds to be raised from the Proposed Non-public Issuance of A Shares shall remain the same as to that disclosed in the 2017 EGM Circular (that is, the construction of 14 oil tankers and completion of acquisition of two Panamax oil tankers previously entered into).

As at the Latest Practicable Date, the construction of 14 oil tankers were still in progress and the acquisition of two Panamax oil tankers has completed. Certain instalments of the construction payment for the 14 oil tankers have already been made and the acquisition price of the two Panamax oil tankers has been fully paid with the internal resources of the Group. The amount used for the aforementioned payments prior to completion of the Proposed Non-public Issuance of A Shares will be substituted and replenished by the proceeds to be raised from the Proposed Non-public Issuance of A Shares in accordance with the relevant procedures as required by applicable laws and regulations.

III. Extension Resolutions

Considering that (i) the validity period of the Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares which was approved by the then Independent Shareholders at the 2017 EGM, 2017 Class Meetings, 2018 EGM, and 2018 Class Meetings; and (ii) the validity period of the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares, which was approved by the then Independent Shareholders at the 2017 EGM, 2017 Class Meetings, 2018 EGM, and 2018 Class Meetings, will expire on 17 December 2019, the Board proposed to convene the EGM and the Class Meetings for the Independent Shareholders to consider (i) the Share Issuance Extension Resolution and (ii) the Board Authorisation Extension Resolution, in order to extend the validity period of the Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares and the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares for a further period of 12 months, i.e. commencing from 18 December 2019 to 17 December 2020 by way of special resolutions.

Save for the extensions of the validity period of the Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares, and the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares for a further period of 12 months, i.e. commencing from 18 December 2019 to 17 December 2020, there is no other change to the terms of the Proposed Non-public Issuance of A Shares previously disclosed by the Company.

COSCO Shipping and parties acting in concert with it and those Shareholders who are involved in or interested in the Proposed Non-public Issuance of A Shares will abstain from voting on the Extension Resolutions to be proposed at the EGM and the Class Meetings.

IV. Reasons for and benefits of the Extension Resolutions

On 25 October 2019, the Issuance Examination Committee of the CSRC (中國證監會發行審核委員會) has reviewed and approved the Company's application for the Proposed Non-public Issuance of A Shares. However, since it takes time for the CSRC to issue the written approval documents to the Company and for the Company to prepare and arrange for the Proposed Non-public Issuance of A Shares, it is uncertain whether the Company would be able to complete the Proposed Non-public Issuance of A Shares

LETTER FROM THE BOARD

before the expiry of the validity period of the Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares. As such, the Board is of the view that it is necessary and in the interests of the Company and its Shareholders as a whole to approve the Extension Resolutions.

V. Implications under the Takeovers Code

As at the Latest Practicable Date, COSCO Shipping and its associates hold the voting rights in respect of 1,554,631,593 A Shares and no H Shares, representing approximately 38.56% of the total issued share capital of the Company.

Upon completion of the Proposed Non-public Issuance of A Shares and assuming the Subscription is undertaken at the Benchmark Price, it is expected that the COSCO Shipping Concert Group's holding of voting rights in respect of all the Shares will increase to a maximum of approximately 46.71% on a fully diluted basis from its current aggregate holding of approximately 38.56% of all the Shares (and the actual level of shareholding interests in the Company held by the COSCO Shipping Concert Group will depend on the final Issue Price and the level of participation by the other target subscriber(s)). As a result of such acquisition of voting rights in the Company, without the New Whitewash Waiver granted pursuant to the Takeovers Code, COSCO Shipping will incur an obligation to make a mandatory offer under Rule 26 of the Takeovers Code for all the Shares other than those already held or agreed to be acquired by the COSCO Shipping Concert Group.

The Executive granted the New Whitewash Waiver on 24 July 2019, subject to (i) the issue of the new securities and the Amendment Resolution on the Proposed Non-public Issuance of A Shares being approved by a vote of the Independent Shareholders at a general meeting of the Company, to be taken on a poll; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights of the Company being made by COSCO Shipping and parties acting in concert with it between the date of the announcement of the Company on 31 October 2017 and the completion of the Subscription. The aforementioned condition (i) imposed by the Executive has been duly fulfilled as at the Latest Practicable Date.

It is also set out in the New Whitewash Waiver granted by the Executive that COSCO Shipping and parties acting in concert with it should continue to comply fully with Schedule VI to the Takeovers Code. If there is any non-compliance with the Takeovers Code or any material change to the information provided, the Executive should be advised immediately so that the Executive can determine whether the New Whitewash Waiver remains valid.

COSCO Shipping has confirmed that it and parties acting in concert with it have fully complied with and will continue to comply with Schedule VI to the Takeovers Code, in particular, unless the Executive gives prior consent, no acquisition or disposal of voting rights of the Company was and will be made by COSCO Shipping and parties acting in concert with it between the date of the announcement of the Company on 31 October 2017 and the completion of the Subscription.

Save for the extensions of the validity period of the Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares, and the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares for a further period

LETTER FROM THE BOARD

of 12 months, i.e. commencing from 18 December 2019 to 17 December 2020, there is no other change to the terms of the Proposed Non-public Issuance of A Shares previously disclosed by the Company. Therefore, the passing of the Extension Resolutions will not affect the validity of the New Whitewash Waiver.

VI. Information of the Company and COSCO Shipping

The Company

The Company is a joint stock company established under the laws of the PRC with limited liability, the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange. The Group is principally engaged in investment holding, oil shipment along the coast of the PRC and internationally, liquefied natural gas shipment, international chemical transportation and vessel chartering.

COSCO Shipping

COSCO Shipping is a state-owned enterprise and is the indirect controlling shareholder of the Company through China Shipping. 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 and maritime engineering.

VII. Recommendation

The Independent Board Committee, after considering the advice from the Independent Financial Adviser, is of the view that while the Extension Resolutions and the Subscription are not conducted in the ordinary and usual course of business of the Group, the terms of the Extension Resolutions and the Subscription Agreement on normal commercial terms and that the Extension Resolutions and the Subscription are fair and reasonable so far as the Independent Shareholders are concerned 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 Extension Resolutions.

The Directors (excluding the independent non-executive Directors whose view is set out in the section headed "Letter from the Independent Board Committee" in this circular below) are of the view that the Extension Resolutions and the Subscription are in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend the Independent Shareholders to vote in favour of the Extension Resolutions at the EGM and the H Shares Class Meeting.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 16 to 17 of this circular which contains its recommendation to the Independent Shareholders on the Extension Resolutions, and (ii) the letter from the Independent Financial Adviser set out on pages 18 to 27 of this circular containing its advice to the Independent Board Committee and the Independent Shareholders as regards the Extension Resolutions and the principal factors considered by it in arriving thereat.

The Independent Shareholders are advised to read the aforesaid letters before deciding as to how to vote on the Extension Resolutions.

LETTER FROM THE BOARD

EGM AND H SHARES CLASS MEETING

The EGM and H Shares Class Meeting will be held at 10:00 a.m. (in the order of the EGM, A Shares Class Meeting and H Shares Class Meeting) on Tuesday, 17 December 2019 at 3rd Floor, Ocean Hotel, No. 1171 Dongdaming Road, Hongkou District, Shanghai, the PRC.

A notice convening the EGM to be held at 10:00 a.m. on Tuesday, 17 December 2019 at 3rd Floor, Ocean Hotel, No. 1171 Dongdaming Road, Hongkou District, Shanghai, the PRC was despatched to the Shareholders on 1 November 2019, which is reproduced on pages EGM-1 to EGM-4 of this circular. A notice convening the H Shares Class Meeting to be held at 10:00 a.m. on Tuesday, 17 December 2019 at 3rd Floor, Ocean Hotel, No. 1171 Dongdaming Road, Hongkou District, Shanghai, the PRC (in the order of the EGM, A Shares Class Meeting and H Shares Class Meeting) was despatched to the Shareholders on 1 November 2019, which is reproduced on pages HCM-1 to HCM-3 of this circular. The respective proxy forms and reply slips for use at the EGM and the H Share Class Meeting were despatched on 1 November 2019.

Whether or not you intend to attend the EGM and/or the H Share Class Meeting, you are requested to complete and return the proxy forms (for use at the EGM and/or the H Share Class Meeting) in accordance with the instructions printed thereon as soon as possible to the Company's Hong Kong H share registrar and transfer office, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in case of H Shareholders) or the Office of the Board of Directors of the Company at 7th Floor, 670 Dongdaming Road, Hongkou District, Shanghai, the PRC (in case of A Shareholders) but in any event not less than 24 hours before the time appointed for the holding of the EGM and/or the H Share Class Meeting (or any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or at any adjourned meetings should you so wish.

In respect of the Extension Resolutions, COSCO Shipping, being a subscriber under the Proposed Non-public Issuance of A Shares, has a material interest in the Proposed Non-public Issuance of A Shares. Therefore, COSCO Shipping and parties acting in concert with it and those Shareholders who are involved in or interested in the Proposed Non-public Issuance of A Shares will abstain from voting on the Extension Resolutions to be proposed at the EGM and the Class Meetings.

CLOSURE OF REGISTER OF MEMBERS

The H Share register of the Company is closed from Saturday, 16 November 2019 to Tuesday, 17 December 2019 (both days inclusive), during which no transfer of H Shares will be effected. Any holders of H Shares of the Company whose names appear on the Company's register of members on Tuesday, 17 December 2019 are entitled to attend and vote at the EGM and the H Shares Class Meeting after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the EGM and the H Shares Class Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar not later than 4:30 p.m. on Friday, 15 November 2019.

LETTER FROM THE BOARD

The address of the share registrar (for share transfer) for the Company's H Shares is as follows:

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

H Shareholders, who intend to attend the EGM and/or the H Shares Class Meeting, must complete the reply slips for attending the EGM and/or the H Shares Class Meeting and return them to the Office of the Board of Directors of the Company not later than 20 days before the date of the EGM and/or the H Shares Class Meeting, i.e. no later than Wednesday, 27 November 2019.

Details of the Office of the Board of Directors of the Company are as follows:

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

In accordance with the Listing Rules, the resolutions to be put forward at the EGM and the Class Meetings will be voted by way of poll.

GENERAL INFORMATION

Should there be any discrepancies between the English and Chinese versions of this circular (excluding Appendix I to Appendix IV), the English version shall prevail.

FURTHER INFORMATION

The completion of the Proposed Non-public Issuance of A Shares and the Subscription are subject to the satisfaction of certain conditions. Accordingly, the Proposed Non-public Issuance of A Shares and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions they should take.

By order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
Yao Qiaohong
Company Secretary



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)

25 November 2019

To the Independent Shareholders

Dear Sir or Madam,

**EXTENSION OF VALIDITY PERIOD OF SHAREHOLDERS' RESOLUTIONS
AND AUTHORISATION GRANTED TO THE BOARD TO HANDLE ALL
MATTERS RELATING TO THE PROPOSED NON-PUBLIC
ISSUANCE OF A SHARES**

We refer to the circular of the Company dated 25 November 2019 (the “**Circular**”), of which this letter forms part. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the Extension Resolutions and the Subscription, details of which are set out in the “Letter from the Board” in the Circular. Messis Capital Limited has been appointed as the Independent Financial Adviser with our approval to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the “Letter from the Board” set out on pages 6 to 15 of the Circular and the “Letter from the Independent Financial Adviser” set out on pages 18 to 27 of the Circular and the additional information set out in the appendices of this Circular.

Having taken into account, among other things, the principal factors and reasons considered by, and the advice of, the Independent Financial Adviser as set out in the “Letter from the Independent Financial Adviser” in the Circular, we concur with the view of the Independent Financial Adviser and consider that while the Extension Resolutions and the Subscription are not conducted in the ordinary and usual course of business of the Group, the terms of the Extension Resolutions and the Subscription are on normal commercial terms and that the Extension Resolutions and the Subscription are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend you to vote in favour of the resolutions to be proposed at the EGM and the relevant Class Meeting for approving the Extension Resolutions.

Yours faithfully,

Independent Board Committee

Ruan Yongping

Rui Meng

Ip Sing Chi

Teo Siong Seng

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Messis Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Extension Resolutions, for the purpose of inclusion in this circular.



25 November 2019

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

Dear Sir or Madam,

EXTENSION OF VALIDITY PERIOD OF SHAREHOLDERS' RESOLUTIONS AND AUTHORISATION GRANTED TO THE BOARD TO HANDLE ALL MATTERS RELATING TO THE PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders to advise the Independent Board Committee and the Independent Shareholders in respect of the Extension Resolutions, 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 25 November 2019 (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 announcements of the Company dated 31 October 2017, 15 December 2017, 18 December 2017, 27 December 2017, 6 February 2018, 5 March 2018, 9 May 2018, 30 October 2018, 17 December 2018, 29 May 2019, 4 June 2019, 19 June 2019, 5 July 2019, 26 July 2019, 25 October 2019 and 30 October 2019, and the 2017 EGM Circular, 2018 EGM Circular and 2019 EGM Circular in respect of, inter alia, the Proposed Non-public Issuance of A Shares.

At the 2017 EGM and the 2017 Class Meetings held on 18 December 2017, the then Independent Shareholders approved, among others, the proposed non-public issuance of not more than 806,406,572 A Shares by the Company to not more than 10 specific target subscribers, including COSCO Shipping, under the Proposed Non-public Issuance of A Shares.

At the 2018 EGM and the 2018 Class Meetings held on 17 December 2018, the then Independent Shareholders approved the extension of the validity period of the Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares and the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares for a further period of 12 months, i.e. commencing from 18 December 2018 to 17 December 2019.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

At the 2019 EGM and the 2019 Class Meetings held on 26 July 2019, the then Independent Shareholders approved, among others, the Amendment Resolution.

Considering that (i) the validity period of the Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares which was approved by the then Independent Shareholders at the 2017 EGM, 2017 Class Meetings, 2018 EGM, and 2018 Class Meetings; and (ii) the validity period of the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares, which was approved by the then Independent Shareholders at the 2017 EGM, 2017 Class Meetings, 2018 EGM and 2018 Class Meetings, will expire on 17 December 2019, the Board proposed to convene the EGM and the Class Meetings for the Independent Shareholders to consider (i) the Share Issuance Extension Resolution and (ii) the Board Authorisation Extension Resolution, in order to extend the validity period of the Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares and the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares for a further period of 12 months, i.e. commencing from 18 December 2019 to 17 December 2020 by way of special resolutions. Save for the extensions of the validity period of the Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares, and the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares for a further period of 12 months, i.e. commencing from 18 December 2019 to 17 December 2020, there is no other change to the terms of the Proposed Non-public Issuance of A Shares previously disclosed by the Company. Therefore, the passing of the Extension Resolutions will not affect the validity of the New Whitewash Waiver.

As at the Latest Practicable Date, COSCO Shipping and its associates control or are entitled to exercise control over the voting rights in respect of 1,554,631,593 A Shares and no H Shares, representing approximately 38.56% of all the issued Shares in the Company. Accordingly, COSCO Shipping is a controlling Shareholder and therefore a connected person of the Company. The Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Accordingly, the Extension Resolutions are also subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. COSCO Shipping, being a subscriber under the Proposed Non-public Issuance of A Shares, has a material interest in the Proposed Non-public Issuance of A Shares. Therefore, COSCO Shipping and parties acting in concert with it and those Shareholders who are involved in or interested in the Proposed Non-public Issuance of A Shares will abstain from voting on the resolutions to be proposed at the EGM and the Class Meetings to approve the Extension Resolutions.

Mr. Feng Boming, Mr. Zhang Wei and Ms. Lin Honghua, who are non-executive Directors, hold directorship(s) or act as senior management in COSCO Shipping and/or its subsidiaries other than the Group, and accordingly, Mr. Feng Boming, Mr. Zhang Wei and Ms. Lin Honghua have therefore abstained from voting on the relevant Board resolutions approving the Extension Resolutions. Save as aforementioned, none of the other Directors has a material interest in the Proposed Non-public Issuance of A Shares and the Subscription, and therefore no other Director has abstained from voting on such Board resolutions.

The Independent Board Committee (comprising all independent non-executive Directors namely, Mr. Ruan Yongping, Mr. Ip Sing Chi, Mr. Rui Meng, and Mr. Teo Siong Seng) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Extension Resolutions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We, Messis Capital Limited, have been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee in accordance with the Listing Rules to advise the Independent Board Committee and the Independent Shareholders in these regards and to give our opinion for the Independent Board Committee's consideration when making their recommendations to the Independent Shareholders.

As at the Latest Practicable Date, we did not have any relationships with or interests 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 the Company's circular dated (i) 4 December 2017 in relation to the Proposed Non-public Issuance of A Shares and the Subscription; (ii) 30 November 2018 in relation to the extension resolutions in relation to the Non-public Issuance of A Shares for a further period of 12 months from 18 December 2018 to 17 December 2019; (iii) 30 November 2018 in relation to major and continuing connected transactions; and (iv) 5 July 2019 in relation to the amendment to the terms of the Proposed Non-public Issuance of A Shares. During the past two years, we were also appointed as an independent financial adviser for (a) COSCO SHIPPING Development Co., Ltd. (stock code: 2866), a connected person of the Company, for four occasions, details of which are set out in its circulars dated (i) 10 May 2018 in relation to the extension of validity period of resolutions regarding revised proposed non-public issuance of A shares; (ii) 4 September 2018 in relation to continuing connected transaction; (iii) 10 May 2019 in relation to further extension of validity period of resolutions regarding the revised proposed non-public issuance of A Shares; and (iv) 5 August 2019 in relation to a continuing connected transaction; and (b) COSCO SHIPPING Holdings Co., Ltd (stock code 1919), another connected person of the Company for one occasion, details of which are set out in its announcement dated 30 October 2019 in relation to continuing connected transactions. Notwithstanding the above, the previous engagements with the Company and its connected persons would not affect our independence from the Company and we are independent from the Company pursuant to Rule 13.84 of the Listing Rules, in particular that we did not serve as a financial adviser to (i) the Company, (ii) COSCO Shipping or its subsidiaries, and (ii) any core connected person of the Company within 2 years prior to 8 November 2019, being date of making our independence declaration to the Hong Kong Stock Exchange pursuant to Rule 13.85(1) of the 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 Extension Resolutions.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Extension Resolutions. 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 and Reasons for the Extension Resolutions

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

COSCO Shipping is a state-owned enterprise and is the indirect controlling shareholder of the Company through China Shipping. 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 and maritime engineering.

At the 2017 EGM and the 2017 Class Meetings held on 18 December 2017, the then Independent Shareholders approved, among others, the proposed non-public issuance of not more than 806,406,572 A Shares by the Company to not more than 10 specific target subscribers, including COSCO Shipping, under the Proposed Non-public Issuance of A Shares.

At the 2018 EGM and the 2018 Class Meetings held on 17 December 2018, the then Independent Shareholders approved the extension of the validity period of the Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares and the authorisation granted to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares for a further period of 12 months, i.e. commencing from 18 December 2018 to 17 December 2019.

At the 2019 EGM and the 2019 Class Meetings held on 26 July 2019, the then Independent Shareholders approved, among others, the Amendment Resolution.

Further, it is also set out in the New Whitewash Waiver granted by the Executive that COSCO Shipping and parties acting in concert with it should continue to comply fully with Schedule VI to the Takeovers Code. If there is any non-compliance with the Takeovers Code or any material change to the information provided, the Executive should be advised immediately so that the Executive can determine whether the Whitewash Waiver remains valid. COSCO Shipping has confirmed that it and parties acting in concert with it have fully complied with and will continue to comply with Schedule VI to the Takeovers Code, in particular, unless the Executive gives prior consent, no acquisition or disposal of voting rights of the Company was and will be made by COSCO Shipping and parties acting in concert with it between the date of the announcement of the Company on 31 October 2017 and the completion of the Subscription.

On 25 October 2019, the Issuance Examination Committee of the CSRC (中國證監會發行審核委員會) has reviewed and approved the Company's application for the Proposed Non-public Issuance of A Shares. However, since it takes time for the CSRC to issue the written approval documents to the Company and for the Company to prepare and arrange for the Proposed Non-public Issuance of A Shares, it is uncertain whether the Company would be able to complete the Proposed Non-public Issuance of A Shares before the expiry of the validity period of the Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares. As such, the Board is of the view that it is necessary and in the interests of the Company and its Shareholders as a whole to approve the Extension Resolutions.

Based on the above, we concur with the view of the Directors that it is in the interests of the Company and the Shareholders to extend the validity periods of the Shareholders' resolutions regarding the Proposed Non-public Issuance of A Shares passed at the 2017 EGM, 2017 Class Meetings, 2018 EGM and 2018 Class Meetings and authorization granted to the Board and any person authorized by the Board to handle all matters in connection with the Proposed Non-public Issuance of A Shares passed at the 2017 EGM, 2017 Class Meetings, 2018 EGM and 2018 Class Meetings for a further period of 12 months, commencing from 18 December 2019.

2. Benefits of the Proposed Non-public Issuance of A Shares and the Subscription

As disclosed in the 2017 EGM Circular, the Board considers that the Proposed Non-public Issuance of A Shares is conducive to the comprehensive and sustainable development of the Company's business and would provide funding for Company's further development in its maritime transportation business.

On 30 October 2017, the Board has approved the Proposed Non-public Issuance of A Shares, pursuant to which the Company will issue a maximum of 806,406,572 A Shares (subject to adjustment) to not more than 10 specific target subscribers, including COSCO Shipping, which would

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

raise gross proceeds of RMB5.4 billion (inclusive of the subscription for an amount of not more than RMB4.2 billion by COSCO Shipping pursuant to the Subscription Agreement) and that the net proceeds from the Proposed Non-public Issuance of A Shares (after deducting all applicable costs and expenses incurred in connection with the Proposed Non-public Issuance of A Shares estimated to be approximately RMB24 million) are expected to be approximately RMB5.38 billion, which are intended to use (i) as to approximately RMB4.99 billion for the construction of 14 oil tankers; and (ii) as to approximately RMB0.41 billion for the completion of acquisition of two Panamax oil tankers previously entered into. As at the Latest Practicable Date, the construction of 14 oil tankers were still in progress and the acquisition of two Panamax oil tankers has completed. Certain instalments of the construction payment for the 14 oil tankers have already been made and the acquisition price of the two Panamax oil tankers has been fully paid with the internal resources of the Group. The amount used for the aforementioned payments prior to completion of the Proposed Non-public Issuance of A Shares will be substituted and replenished by the proceeds to be raised from the Proposed Non-public Issuance of A Shares in accordance with the relevant procedures as required by applicable laws and regulations. To the extent the actual proceeds to be raised from the Proposed Non-public Issuance of A Shares are less than the aggregate amount of the proceeds as per the above allocation, the Company will make up for the shortfall by utilising its internal resources or other means of financing. As disclosed in the 2017 EGM Circular and the 2019 EGM Circular, the long term capital raised from the Proposed Non-public Issuance of A Shares would optimise the Company's capital structure and reduce the Company's consolidated debt-to-asset ratio and the acquisition of the oil tankers can supplement and upgrade its shipping capacity on a timely basis and optimise the age composition of the fleet further to maintain and increase its shipping capacity and reduce its fleeting operating costs.

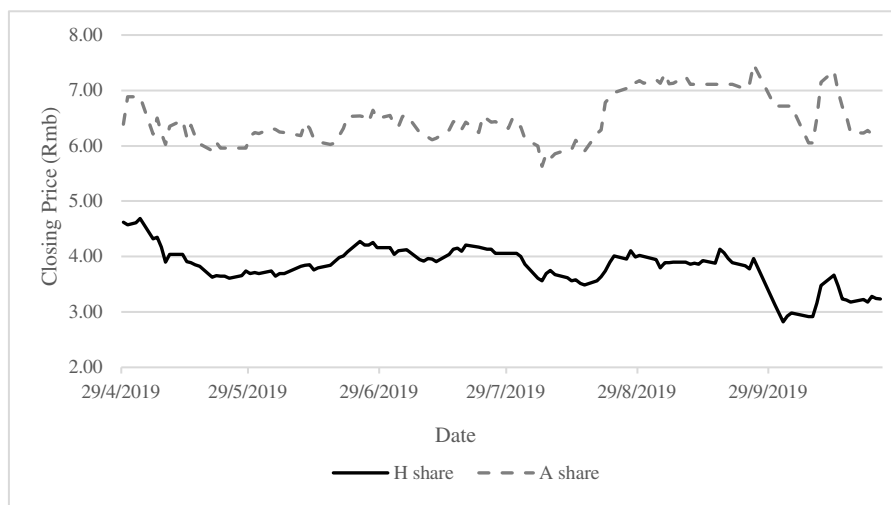
Alternative financing

According to the interim report of the Company for the six months ended 30 June 2019, as at 30 June 2019, the cash and cash equivalents were approximately RMB4.2 billion, which is expected to meet capital needs of regular operating cash flows of the Group. Further, taking into account the high net-debt-to-equity ratio (as calculated by net debt over total equity) of approximately 89% as at 30 June 2019, raising capital from debt financing may lead to increase in the Company's gearing position. In contrast, raising funds by equity financing from issuance of A Shares could improve the leverage position of the Group.

As advised by the Directors, the Company has also considered other means of equity financing such as private placement of H Shares, right issue or open offer. However, given that the issued H Share capital of the Company is significantly lower than the issued A Share capital of the Company, the expected size of fund to be raised will be less than approximately RMB5.4 billion. In addition, there is a significant premium of the price of A Shares trading on the Shanghai Stock Exchange over the price of H Shares trading on the Hong Kong Stock Exchange. If the Company conducts a fund raising exercise by issuing both new A Shares and new H Shares, assuming a pricing basis of not less than the average trading price of the A Share in the 20 trading days preceding the base day, the issue price will represent a premium over the historical trading prices of H Shares which the H Shareholders are not likely to subscribe the new H Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The chart below illustrates a comparison between the daily closing prices of the A Share and the daily closing price of the H Share (presented in RMB equivalent based on an exchange rate of RMB1 to HK1.1090) from 29 April 2019 up to the last trading day before the Extension Resolutions Announcement (the “**Review Period**”):



Sources: Website of Hong Kong Stock Exchange and 巨潮資訊網 (Cninfo*, www.cninfo.com.cn, being a website designated by the CSRC for the purpose of information disclosure)

During the Review Period, the closing prices of the H Share were in the range of HK\$3.13 (or approximately RMB2.82) to HK\$5.2 (or approximately RMB4.69) as per H Share and the closing prices of the A Share were in the range of RMB5.63 to RMB7.47 as per A Share.

In other words, the closing prices of H shares were lower than those of A Shares during the Review Period. If the Company were to conduct a fund-raising exercise by issuance of new H Shares with a proceed of approximately RMB5.4 billion, assuming that an equivalent pricing basis is adopted to determine the benchmark price for the H Shares issuance, the number of H Shares to be issued will be substantially more than that required for the Revised Proposed Non-public Issuance of A Shares. This would lead to a greater dilution effect on the shareholding of the existing Shareholders and would not be in the interests of the Independent Shareholders.

Based on the above, we concur the views from the Directors that the Proposed Non-public Issuance of A Shares, the Subscription and hence the Extension Resolutions are in the interests of the Company and the Shareholders as a whole.

3. Terms of the Proposed Non-public Issuance of A Shares and Subscription

Save for the (i) the extension of the validity period of the then Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares, for a further period of 12 months, commencing from 18 December 2019; and (ii) the extension of the validity period of the authorization granted to the Board and any person authorized by the Board to handle all matters

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relating to the Proposed Non-public Issuance of A Shares, for a further period of 12 months, commencing from 18 December 2019, all other terms of the Proposed Non-public Issuance of A Shares and the Subscription remain unchanged and in full force and effect.

In particular, as disclosed in the 2017 EGM Circular and the 2019 EGM Circular, the Issue Price shall not be lower than both (i) the Share Trading Price Floor and (ii) the NAV Price Floor. As disclosed in the 2017 EGM Circular, as at the latest practicable date thereof, given that the net asset value per Share as set out in the audited consolidated financial statements of 2016 of the Company is RMB6.81, on such basis, it was expected that the minimum issue price would, subject to regulatory approval, be at least RMB6.81 (that is, the Benchmark Price). According to the annual report of the Company for the year ended 31 December 2018, the Group recorded a net asset value per Share of approximately RMB6.972 per Share (after taking into accounts for the distribution of the final dividend of RMB0.02 per Share), which is higher than the Benchmark Price.

In the event that the Issue Price is expected to fall below the Benchmark Price, the Company will re-comply with the necessary approval requirements including, among other things, Independent Shareholders' approval requirements under the Listing Rules and for a new whitewash waiver under the Takeovers Code. As disclosed in the 2019 EGM Circular and approved by the then Independent Shareholders at the 2019 Class Meetings, If there exists between (a) the date to which the latest audited consolidated statement of financial positions is made up to, and (b) the date of share issuance under the Proposed Non-public Issuance of the A Shares any ex-right or ex-dividend events (such as distribution of dividend, bonus issue, capitalization of capital reserves, additional issuance or placing of new Shares), the NAV Price Floor shall be adjusted downwards to take into account the effect of such event(s); and if any such ex-right/ex-dividend event takes place during the 20-trading day reference period underlying the Share Trading Price Floor, such that the Company's shares are quoted cum-right/dividend for part of the period and ex-right/dividend for the other part of the period, downward adjustments to the Share Trading Price Floor taking into account the effect of rights/dividends shall be applied to the trading prices of each cum-dividend trading day throughout the entire 20-trading day period.

We noted that the subscription price is determined based on certain PRC regulations (including《關於修改〈上市公司非公開發行股票實施細則〉的決定》(Decision on Amending Implementing Rules on Non-Public Issuance of Shares by Listed Companies*) published by CSRC on 17 February 2017 and 《發行監管問答 – 關於引導規範上市公司融資行為的監管要求》(the Issuance Regulatory Questions and Answers – Regulatory Requirements regarding Guiding and Regulating Listed Companies' Financing Activities*) published by the CSRC on 17 February 2017 and revised on 9 November 2018 (collectively, the “**New PRC Regulations**”)) and the “Measure for Administration of the Issuance of Securities by Listed Companies” (《上市公司證券發行管理辦法》) (the “**Measures**”) and acknowledged that the basis of determining the issue price is in compliance with the regulations of the PRC.

The final Issue Price will be determined by the Board and its authorised person(s) with the authorization by the Shareholders at the 2017 EGM and the 2017 Class Meetings and the sponsor (the lead manager) based on the price inquiry results in accordance with the price priority principle and applicable laws and regulations, after obtaining the approval documents issued by the CSRC in respect of the Proposed Non-public Issuance of A Shares. All the target subscribers will subscribe for

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the A Shares under the Proposed Non-public Issuance of A Shares at the same issue price in cash. COSCO Shipping will not participate in the price inquiry exercise for the Proposed Non-public Issuance of A Shares, and will accept the price inquiry results and subscribe for the A Shares at the same issue price as other target subscribers. In the event no effective bid is made after the aforesaid price inquiry exercise, the floor price deduced from the Price Floor Mechanism will be determined as the final Issue Price.

According to the 2017 EGM Circular, COSCO Shipping shall not transfer the A Shares subscribed under the Proposed Non-public Issuance of A Shares within 36 months from the date of the completion of the Proposed Non-public Issuance of A Shares. All other target subscribers shall not transfer the A Shares subscribed under the Proposed Non-public Issuance of A Shares within 12 months from the date of the completion of the Proposed Non-public Issuance of A Shares. Having considered that the above lock-up periods were determined in accordance with the New PRC Regulations, which stipulates that the lock-up period of shares shall be 36 months for share issued to certain categories of subscribers (including controlling shareholders, actual controllers and strategic investors introduced by the board of the listed issuer), and 12 months for share issued to other types of subscribers, we are of the view that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Given that (i) the subscription price will reflect the then latest market prices of the A Shares; (ii) the basis of the subscription price is in compliance with the New PRC Regulations and the Measures; (iii) all subscribers will subscribe the A Shares at the same subscription price and (iv) save for the Extension Resolutions, all other terms of the Proposed Non-public Issuance of A Shares and the Subscription remain unchanged and in full force and effect, we concur with the Directors that the Extension Resolutions are fair and reasonable so far as the Independent Shareholders are concerned.

Having taking into consideration that (i) there is no change in the proposed use of net proceeds as disclosed in the 2017 EGM Circular, 2018 EGM Circular and 2019 EGM Circular, and such usage is in line with the business strategy of the Group; (ii) the Proposed Non-public Issuance of A Shares and the Subscription is in the interests of the Company and the Shareholders as a whole; (iii) save for the Extension Resolutions, all other terms of the Proposed Non-public Issuance of A Shares remain unchanged and in full force and effect and hence terms of the Proposed Non-public Issuance of A Shares and the Subscription are fair and reasonable so far as the Independent Shareholders are concerned; (iv) the Issuance Examination Committee of CSRC (中國證監會發行審核委員會) has reviewed and approved the application for the Non-public Issuance of A Shares and it takes time for the CSRC to issue the written approval documents to the Company and for the Company to prepare and arrange the Proposed Non-public Issuance of A Shares; (v) it is uncertain whether the Company would be able to complete the Proposed Non-public Issuance of A Shares before the expiry of the validity periods of the then Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares and the authorization granted to the Board and any person authorized by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares, we concur with the Directors' view that the Extension Resolutions are in the interests of the Company and the Shareholders as a whole.

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RECOMMENDATION AND CONCLUSION

Having taken into account the above-mentioned principal factors and reasons regarding the Extension Resolutions and the Subscription, we are of the view that while the Extension Resolutions and the Subscription are not conducted in the ordinary and usual course of business of the Group, the terms of the Extension Resolutions and the Subscription are on normal commercial terms and that the Extension Resolutions and the Subscription are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the Extension Resolutions to be proposed at the EGM and the Class Meetings.

Yours faithfully,
For and on behalf of
Messis Capital 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 Mesis Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 10 years of experience in corporate finance industry.

* For identification purposes only

The full text of the Proposed Amendments to the Articles of Association is set out below.

Existing articles	To be amended as
<p>Article 1 These Articles of Association are formulated pursuant to the Company Law of the People’s Republic of China (“Company Law”), Securities Law of the People’s Republic of China (“Securities Law”), Special Regulations on Overseas Offerings and Listing of Shares by Joint Stock Limited Companies (“Special Regulations”), Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (“Mandatory Provisions”), Standards for the Governance of Listed Companies (Standards for Governance), Guide to Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on the SEHK and the Letter of Opinions regarding the Supplementary Amendment of the Articles of Association by Companies Seeking Listing in Hong Kong and other relevant regulations, in order to protect the legitimate rights and interests of COSCO SHIPPING Energy Transportation Co., Ltd. (“the Company”) and shareholders and creditors thereof and to regulate the organization and behavior of the Company.</p>	<p>Article 1 These Articles of Association are formulated pursuant to the Company Law of the People’s Republic of China (“Company Law”), Securities Law of the People’s Republic of China (“Securities Law”), Special Regulations on Overseas Offerings and Listing of Shares by Joint Stock Limited Companies (“Special Regulations”), Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (“Mandatory Provisions”), Standards for the Governance of Listed Companies (“Standards for Governance”), Guide to Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Letter of Opinions regarding the Supplementary Amendment of the Articles of Association by Companies Seeking Listing in Hong Kong and other relevant regulations, in order to protect the legitimate rights and interests of COSCO SHIPPING Energy Transportation Co., Ltd. (“the Company”) and shareholders and creditors thereof and to regulate the organization and behavior of the Company.</p>

Existing articles	To be amended as
<p>Article 27 The Company may increase its capital by the following means in the light of its business and development needs and in accordance with laws, regulations and resolutions made at general meetings:</p> <ul style="list-style-type: none"> I. Public offering; II. Non-public offering; III. Issuing bonus shares to existing shareholders; IV. Converting the common reserve fund into share capital; V. Issuing convertible corporate bonds; VI. Other means stipulated by laws and administrative regulations or approved by the China Securities Regulatory Commission (CSRC). <p>Issues of new shares by the Company shall be subject to approval as specified in these Articles of Association and shall follow the procedures specified in the relevant state laws and administrative regulations.</p> <p>After issuing convertible corporate bonds, the Company shall permit the holders thereof to convert them into shares in the Company shares according to the conditions and conversion procedures at the time of issue. Matters relating to changes in the Company’s equity arising from the conversion of convertible corporate bonds shall be handled in accordance with resolutions passed by the general meeting.</p>	<p>Article 27 The Company may increase its capital by the following means in the light of its business and development needs and in accordance with laws, regulations and resolutions made at general meetings respectively:</p> <ul style="list-style-type: none"> I. Public offering; II. Non-public offering; III. Issuing bonus shares to existing shareholders; IV. Converting the common reserve fund into share capital; V. Issuing convertible corporate bonds; VI. Other means stipulated by laws and administrative regulations or approved by the China Securities Regulatory Commission (CSRC). <p>Issues of new shares by the Company shall be subject to approval as specified in these Articles of Association and shall follow the procedures specified in the relevant state laws and administrative regulations.</p> <p>After issuing convertible corporate bonds, the Company shall permit the holders thereof to convert them into shares in the Company shares according to the conditions and conversion procedures at the time of issue. Matters relating to changes in the Company’s equity arising from the conversion of convertible corporate bonds shall be handled in accordance with resolutions passed by the general meeting.</p>

Existing articles	To be amended as
<p>Article 31 The Company may, in the following circumstances, buy back its shares pursuant to laws, regulations and these Articles of Association:</p> <ul style="list-style-type: none">I. Decreasing the registered capital of the Company;II. Merging with another company holding shares in the Company;III. Awarding shares to Company staff;IV. Shareholders objecting to resolutions of the general meeting concerning the merger or division of the Company, requiring the Company to buy their shares;V. Other circumstances stipulated by laws and regulations.	<p>Article 31 The Company may, in the following circumstances, buy back its shares pursuant to laws, regulations, these Articles of Association and relevant regulations of the securities regulatory authorities in the location where the Company’s shares are listed:</p> <ul style="list-style-type: none">I. Decreasing the registered capital of the Company;II. Merging with another company holding shares in the Company;III. Using shares for employee stock ownership plans or share incentives;IV. Shareholders objecting to resolutions of the general meeting concerning the merger or division of the Company, requiring the Company to buy their shares;V. Using shares for the conversion of the convertible corporate bonds issued by listed companies;VI. It is necessary for listed companies to maintain company value and the interests of shareholders;VII. Other circumstances stipulated by laws, administrative regulations, departmental regulations, and permitted by the securities regulatory authorities in the location where the Company’s shares are listed. <p>Save for the circumstances set out above, the Company shall not purchase or sell any shares in the Company.</p>

Existing articles	To be amended as
<p>Article 32 The Company may buy back its shares in any of the following ways:</p> <p>I. Through open transaction in the stock exchange;</p> <p>II. Tender offer;</p> <p>III. Repurchase through the entering into of an OTC agreement;</p> <p>IV. Any other way approved by CSRC.</p>	<p>Article 32 The Company may buy back its shares in any of the following ways:</p> <p>I. Through open transaction in the stock exchange;</p> <p>II. Tender offer;</p> <p>III. Repurchase through the entering into of an OTC agreement;</p> <p>IV. Such other means approved by laws, administrative regulations and relevant competent authorities.</p> <p>Repurchase of the Company’s shares due to the reasons set out in Clauses (III), (V) or (VI) of Article 31 of these Articles of Association shall be conducted through public and centralized trading or other methods permitted by other laws, administrative regulations, departmental regulations, regulatory documents, these Articles of Association and relevant laws and regulations and regulatory documents of the securities regulatory authorities in the location where the Company’s shares are listed.</p> <p>Repurchase of the Company’s shares by way of offer shall be conducted in accordance with the regulations in connection tender offers as set out in the Measures for the Administration of the Takeover of Listed Companies issued by CSRC and The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong.</p>

Existing articles	To be amended as
<p>Article 33 Buyback of the Company’s shares for reasons set out in Clauses (I) to (III) of Article 31 of these Articles of Association shall be subject to a resolution at a general meeting. After the Company has bought back its shares in accordance with Article 31, such shares shall be cancelled within 10 days after buyback in the circumstance set out in (I), or shall be transferred or cancelled within 6 months in the circumstances set out in (II) and (IV).</p> <p>Shares bought back by the Company pursuant to Clause (III) of Article 31 shall not exceed 5% of the total shares issued by the Company; the buyback cost shall be covered by the after-tax profit of the Company; and the shares bought back shall be transferred to employees within one year.</p>	<p>Article 33 Repurchase of the Company’s shares by way of offer shall be conducted in accordance with the requirements in connection with offer to acquisition as set out in the Measures for the Administration of the Takeover of Listed Companies issued by CSRC and The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong. Buyback of the Company’s shares for reasons set out in Clauses (I) to (II) of Article 31 of these Articles of Association shall be subject to a resolution at a general meeting. Repurchase of the Company’s shares in accordance with the reasons set out in Clauses (III), (V) to (VI) of Article 31 of these Articles of Association may be considered and approved at Board meetings where over two-thirds of the Directors are present. After the Company has bought back its shares in accordance with Article 31, such shares shall be cancelled within 10 days after buyback in the circumstance set out in Clause (I), or shall be transferred or cancelled within 6 months in the circumstances set out in Clauses (II) and (IV).</p> <p>After the Company repurchased shares pursuant to Clauses (III), (V) and (VI) of Article 31, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and all such shares shall be transferred or cancelled within three years after the date of announcement on the repurchase and changes in share capital.</p> <p>Notwithstanding the foregoing provisions of this Article, if the aforesaid matters in relation to the buy back of shares of the Company are otherwise prescribed by applicable laws, administrative regulations, departmental regulations, regulatory documents, these Articles of Association and relevant laws and regulations and regulatory documents of securities regulatory authorities in the location where the Company’s shares are listed, such provisions shall prevail.</p>
<p>Article 35 Changes in the registered capital of the Company arising from cancellation of shares due to acquisition shall be registered with the original company registration authority.</p> <p>The total par value of the cancelled shares shall be deducted from the registered capital of the Company.</p>	<p>Article 35 If the Company has cancelled certain portion of shares due to buy back of such shares, these shares shall be transferred or cancelled within the period prescribed by laws and administrative regulations. In case of cancellation, the Company shall, after the cancellation of that portion of shares, apply to the original company registration authority for registration of the change in registered capital.</p> <p>The total par value of the cancelled shares shall be deducted from the registered capital of the Company.</p>

Existing articles	To be amended as
<p>Article 46 All H shares for which full payment has been made may be transferred freely (other than circumstances not allowed by the HKSE) in accordance with these Articles of Association without any lien; except under the following conditions, the Board may refuse to recognize any transfer instrument without providing any reason:</p> <p>I. All the transfer documents and other relevant documents relating to or affecting ownership of any registered securities shall be registered. In the event that any fees shall be charged for the registration, the said cost shall not be higher than the maximum amount stipulated under the Rules Governing the Listing of Securities on SEHK;</p> <p>II. The transfer instrument and other relevant documents only involve H shares listed in Hong Kong;</p> <p>III. Stamp tax has been paid for the transfer instrument and other relevant documents;</p> <p>IV. Relevant shares and evidence reasonably required by the Board to prove that the transferor has the right to transfer the shares have been provided;</p> <p>V. If the shares are transferred to joint holders, the number of joint holders shall not exceed four;</p> <p>VI. The relevant shares are not subject to lien by any company.</p>	<p>Article 46 All H shares for which full payment has been made may be transferred freely (other than circumstances not allowed by the SEHK) in accordance with these Articles of Association without any lien; except under the following conditions, the Board may refuse to recognize any transfer instrument without providing any reason:</p> <p>I. All the transfer documents and other relevant documents relating to or affecting ownership of any registered securities shall be registered. In the event that any fees shall be charged for the registration, the said cost shall not be higher than the maximum amount stipulated under the Rules Governing the Listing of Securities on SEHK;</p> <p>II. The transfer instrument and other relevant documents only involve H shares listed in Hong Kong;</p> <p>III. Stamp tax has been paid for the transfer instrument and other relevant documents;</p> <p>IV. Relevant shares and evidence reasonably required by the Board to prove that the transferor has the right to transfer the shares have been provided;</p> <p>V. If the shares are transferred to joint holders, the number of joint holders shall not exceed four;</p> <p>VI. The relevant shares are not subject to lien by any company.</p>

Existing articles	To be amended as
<p>VII. No shares shall be transferred to any minors or mentally defective persons or any other legally incapacitated persons</p> <p>Any shareholder of foreign shares may transfer all or part of his shares in the Company via the common written transfer document of the place where the foreign shares are listed or via written transfer document in any other form acceptable to the Board. The standard transfer form specified by SEHK may be used for the transfer of H shares. The said transfer document may be signed by hand, or signed by hand or printed if the transferor or the transferee is a recognized clearing institution (“recognized clearing institution”) as defined in the Securities and Futures Ordinance, or its proxy.</p>	<p>VII. No shares shall be transferred to any minors or mentally defective persons or any other legally incapacitated persons</p> <p>Any shareholder of foreign shares may transfer all or part of his shares in the Company via the common written transfer document of the place where the foreign shares are listed or via written transfer document in any other form acceptable to the Board. The standard transfer form specified by SEHK may be used for the transfer of H shares. The said transfer document may be signed by hand, or signed by hand or printed if the transferor or the transferee is a recognized clearing institution (“recognized clearing institution”) as defined in the Securities and Futures Ordinance, or its proxy.</p> <p>In case the Company refuses to register the share transfer, it shall, within two months of the formal submission of the transfer application, issue a notice on the refusal to register the transfer of the shares to the transferor and transferee.</p> <p>The foreign shares listed in Hong Kong shall be transferred in writing in the common or usual form or other form of transfer instrument as the Board of Directors may accept; and the transfer instrument may only be signed by hand or may be signed by hand or printing signature if the transferor or the transferee is a clearing institution or its agent. All transfer instruments must be kept at the legal address of the Company or other locations as the Board of Directors may designate from time to time.</p> <p>Changes to or corrections of each part of the shareholders’ register shall be carried out in accordance with the laws of the place where it is located.</p>

Existing articles	To be amended as
<p>Article 54 Shareholders of company’s ordinary stock shall enjoy the following rights to:</p> <p>I. Receive dividends and the division of earnings in other forms depending on its stock share;</p> <p>II. Require, convene, preside over or attend general meetings either in person or by proxy and exercise the corresponding voting rights in accordance with the relevant laws, regulations and the Articles of Association;</p> <p>III. Supervise, present suggestions on or make inquiries about the business activities of the Company;</p> <p>IV. Transfer, give or pledge their shares in accordance with laws, regulations, and these Articles of Association;</p> <p>V. Obtain relevant information in line with the stipulations in these Articles of Association, including:</p> <ol style="list-style-type: none"> 1. Obtaining these Articles of Association after paying the cost; 2. Consulting free of charge and having the right to consult and copy relevant information after paying reasonable expenses: <ol style="list-style-type: none"> A. All parts of the register of shareholders; B. Personal data of directors, supervisors and senior executives of the Company, including: <ol style="list-style-type: none"> (1) Present and previous names and aliases; (2) Main addresses (domiciles); (3) Nationality; (4) Full-time and all part-time occupations and positions; 	<p>Article 54 Shareholders of company’s ordinary stock shall enjoy the following rights to:</p> <p>I. Receive dividends and the division of earnings in other forms depending on its stock share;</p> <p>II. Require, convene, preside over or attend general meetings either in person or by proxy and exercise the corresponding voting rights in accordance with the relevant laws, regulations and the Articles of Association;</p> <p>III. Supervise, present suggestions on or make inquiries about the business activities of the Company;</p> <p>IV. Transfer, give or pledge their shares in accordance with laws, regulations, and these Articles of Association;</p> <p>V. Obtain relevant information in line with the stipulations in these Articles of Association, including:</p> <ol style="list-style-type: none"> 1. Obtaining these Articles of Association after paying the cost; 2. Consulting free of charge and having the right to consult and copy relevant information after paying reasonable expenses: <ol style="list-style-type: none"> A. All parts of the register of shareholders; B. Personal data of directors, supervisors and senior executives of the Company, including: <ol style="list-style-type: none"> (1) Present and previous names and aliases; (2) Main addresses (domiciles); (3) Nationality; (4) Full-time and all part-time occupations and positions;

Existing articles	To be amended as
<p>(5) Personal status certificate and its number.</p> <p>C. Report on equity issued by the Company;</p> <p>D. The total face value, amount, ceiling price and bottom price of each category of stock repurchased by the Company since the previous financial year, as well as the report on the Company’s payment of all such expenses;</p> <p>E. Stubs of corporate bonds, minutes of general meetings, resolutions of Board meetings, resolutions of Supervisory Committee meetings, and financial reports,</p> <p>F. The latest audited financial statements of the Company, and the reports of directors, supervisors and auditors;</p> <p>G. Copy of the latest annual return filed with Chinese State Administration for Industry and Commerce or other competent authorities;</p> <p>H. Special resolutions of the Company; and</p> <p>I. Minutes of shareholders’ meetings (only available to shareholders).</p> <p>J. The Company shall place the documents referred to in Item (A), Item (C), Item (D), Item (F), Item (G), Item (H) and Item (I) in Hong Kong for the public and shareholders to consult free of charge, and for them to make copies of the above documents after charging reasonable fees.</p>	<p>(5) Personal status certificate and its number.</p> <p>C. Report on equity issued by the Company;</p> <p>D. The total face value, amount, ceiling price and bottom price of each category of stock repurchased by the Company since the previous financial year, as well as the report on the Company’s payment of all such expenses;</p> <p>E. Stubs of corporate bonds, resolutions of Board meetings, resolutions of Supervisory Committee meetings, and financial reports,</p> <p>F. The latest audited financial statements of the Company, and the reports of directors, supervisors and auditors;</p> <p>G. Copy of the latest annual return filed with Chinese State Administration for Industry and Commerce or other competent authorities;</p> <p>H. Special resolutions of the Company; and</p> <p>I. Minutes of shareholders’ meetings (only available to shareholders).</p> <p>J. The Company shall place the documents referred to in Item (A), Item (C), Item (D), Item (F), Item (G), Item (H) and Item (I) in Hong Kong for the public and shareholders to consult free of charge, and for them to make copies of the above documents after charging reasonable fees.</p>

Existing articles	To be amended as
<p>VI. By termination or upon liquidation of the Company, participate in distribution of the Company’s remaining assets depending on its stock share;</p> <p>VII. Object to resolutions of the general meeting concerning merger or division of the Company, requiring the Company to buy their shares;</p> <p>VIII. Other circumstances stipulated by laws, administrative regulations, departmental rules or these Articles of Association.</p> <p>The Company shall not freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person on the ground that the said person has not disclosed his equity to the Company.</p>	<p>VI. By termination or upon liquidation of the Company, participate in distribution of the Company’s remaining assets depending on its stock share;</p> <p>VII. Object to resolutions of the general meeting concerning merger or division of the Company, requiring the Company to buy their shares;</p> <p>VIII. Other circumstances stipulated by laws, administrative regulations, departmental rules or these Articles of Association.</p> <p>The Company shall not freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person on the ground that the said person has not disclosed his equity to the Company.</p>
<p>Article 62 The controlling shareholders and effective controllers of the Company shall not use connected relations to damage the interests of the Company; otherwise they shall make compensation for the loss incurred to the Company.</p> <p>The controlling shareholders and effective controllers of the Company shall be honest to the Company and general public shareholders. The controlling shareholders shall duly exercise contributors’ rights according to law, shall not damage the legitimate rights and interests of the Company and general public shareholders by such means as profit distribution, asset reorganization, external investment, fund appropriations and loan guarantees and shall not abuse its controlling status to damage the interests of the Company and general public shareholders.</p> <p>Except for their obligations under the relevant laws, regulations or the listing rules at the location where the Company’s shares are listed, the controlling shareholders, in exercising their rights as shareholders, shall not make any decision detrimental to all or some shareholders in connection with the following issues:</p> <p>I. Relieving the directors or supervisors of their responsibility to behave honestly in the interest of the maximal benefit of the Company;</p>	<p>Article 62 The controlling shareholders and effective controllers of the Company shall not use connected relations to damage the interests of the Company; otherwise they shall make compensation for the loss incurred to the Company.</p> <p>The controlling shareholders and effective controllers of the Company shall be honest to the Company and general public shareholders. The controlling shareholders shall duly exercise contributors’ rights according to law, shall not damage the legitimate rights and interests of the Company and general public shareholders by such means as profit distribution, asset reorganization, external investment, fund appropriations and loan guarantees and shall not abuse its controlling status to damage the interests of the Company and general public shareholders.</p> <p>Except for their obligations under the relevant laws, regulations or the listing rules at the location where the Company’s shares are listed, the controlling shareholders, in exercising their rights as shareholders, shall not make any decision detrimental to all or some shareholders in connection with the following issues:</p> <p>I. Relieving the directors or supervisors of their responsibility to behave honestly in the interest of the maximal benefit of the Company;</p>

Existing articles	To be amended as
<p>II. Approving acts by the directors or supervisors to deprive the Company of its property in any form (for their own interest or for the interest of others), including (but not limited to) any favorable opportunity of the Company;</p> <p>III. Approving acts by the directors or supervisors to deprive other shareholders of their personal rights and benefits (for their own interest or the interest of others), including (but not limited to) any right to distribution and right to vote, but excluding company reorganization as submitted to the shareholders' meeting for adoption.</p> <p>A controlling shareholder referred to herein shall be a person meeting any of the following conditions:</p> <p>I. One who holds more than 50% of the total shares of the Company;</p> <p>II. One who holds less than 50% of the total shares but holds voting rights sufficient to have a material impact on resolutions of the Company, including but not limited to:</p> <ul style="list-style-type: none">(1) When acting alone or jointly with other parties, the said person can exercise 30% or more of the voting rights of the Company, or control the exercise of 30% or more of the voting rights of the Company;(2) When acting alone or jointly with other parties, the said person holds 30% or more of the outstanding shares of the Company; or(3) One who has de facto control of the Company in other ways, when acting by him or in concert with others.	<p>II. Approving acts by the directors or supervisors to deprive the Company of its property in any form (for their own interest or for the interest of others), including (but not limited to) any favorable opportunity of the Company;</p> <p>III. Approving acts by the directors or supervisors to deprive other shareholders of their personal rights and benefits (for their own interest or the interest of others), including (but not limited to) any right to distribution and right to vote, but excluding company reorganization as submitted to the shareholders' meeting for adoption.</p> <p>A controlling shareholder referred to herein shall be a person meeting any of the following conditions:</p> <p>I. One who holds more than 50% of the total shares of the Company;</p> <p>II. One who holds less than 50% of the total shares but holds voting rights sufficient to have a material impact on resolutions of the Company, including but not limited to:</p> <ul style="list-style-type: none">(1) When acting alone or jointly with other parties, the said person can elect a majority of directors;(2) When acting alone or jointly with other parties, the said person can exercise 30% or more of the voting rights of the Company, or control the exercise of 30% or more of the voting rights of the Company;(3) When acting alone or jointly with other parties, the said person holds 30% or more of the outstanding shares of the Company; or(4) One who has de facto control of the Company in other ways, when acting by him or in concert with others.

Existing articles	To be amended as
<p>Article 64 The shareholders’ meeting performs the following functions:</p> <p>I. Deciding on the business guidelines and investment plans of the Company;</p> <p>II. Electing and changing directors and supervisors other than employees’ representatives, and deciding on the remuneration of directors and supervisors;</p> <p>III. Considering and approving the reports of the Board of Directors and the Supervisory Committee;</p> <p>IV. Examining and approving the Company’s annual financial budget scheme and final calculation scheme;</p> <p>V. Examining and approving the Company’s profit distribution schemes and loss compensation schemes;</p> <p>VI. Deciding on increases/decreases of the registered capital of the Company;</p> <p>VII. Deciding on the merger, division, dissolution, liquidation or transformation of the Company;</p> <p>VIII. Deciding on plans for issue of the Company’s bonds or other securities and listing;</p> <p>IX. Deciding on the appointment or dismissal of the Company’s accounting firm;</p> <p>X. Revising these Articles of Association;</p> <p>XI. Considering and approving matters relating to the guarantees stipulated in Article 65 hereof;</p> <p>XII. Considering and approving the Company’s purchase or disposal of major assets within one year with a transaction amount exceeding 30% of the latest audited total assets of the Company; (other than asset disposals between the Company and its controlling subsidiaries, and among the controlling subsidiaries);</p>	<p>Article 64 The shareholders’ meeting performs the following functions:</p> <p>I. Deciding on the business guidelines and investment plans of the Company;</p> <p>II. Electing and changing directors and supervisors other than employees’ representatives, and deciding on the remuneration of directors and supervisors;</p> <p>III. Considering and approving the reports of the Board of Directors and the Supervisory Committee;</p> <p>IV. Examining and approving the Company’s annual financial budget scheme and final calculation scheme;</p> <p>V. Examining and approving the Company’s profit distribution schemes and loss compensation schemes;</p> <p>VI. Deciding on increases/decreases of the registered capital of the Company;</p> <p>VII. Deciding on the merger, division, dissolution, liquidation or transformation of the Company;</p> <p>VIII. Deciding on plans for issue of the Company’s bonds or other securities and listing;</p> <p>IX. Deciding on the appointment or dismissal of the Company’s accounting firm;</p> <p>X. Revising these Articles of Association;</p> <p>XI. Considering and approving matters relating to the guarantees stipulated in Article 65 hereof;</p> <p>XII. Considering and approving the Company’s purchase or disposal of major assets within one year with a transaction amount exceeding 30% of the latest audited total assets of the Company; (other than asset disposals between the Company and its controlling subsidiaries, and among the controlling subsidiaries);</p>

Existing articles	To be amended as
<p>XIII. Considering and approving matters related to changes in the use of proceeds from share offerings;</p> <p>XIV. Considering and approving equity incentive schemes;</p> <p>XV. Considering proposals from shareholders representing 3% (inclusive) of the voting shares of the Company;</p> <p>XVI. Considering other matters which, in accordance with the laws, administrative regulations, departmental rules, and listing rules at the location where the Company’s shares are listed or with the Articles of Association, must be approved by a general meeting.</p>	<p>XIII. Considering and approving matters related to changes in the use of proceeds from share offerings;</p> <p>XIV. Considering and approving equity incentive schemes;</p> <p>XV. Considering proposals from shareholders representing 3% (inclusive) of the voting shares of the Company;</p> <p>XVI. Considering other matters which, in accordance with the laws, administrative regulations, departmental rules, listing rules in the location where the Company’s shares are listed, the Articles of Association or other company institutional documents considered and approved by the shareholders’ meeting, must be approved by a general meeting.</p>
<p>Article 68 Under any of the following circumstances, the board shall convene an extraordinary general meeting within two months from the date upon which the circumstance in question occurs:</p> <p>I. The number of directors falls short of the minimum number required by the Company Law or is less than two-thirds of the number required by these Articles of Association;</p> <p>II. The un-recovered losses of the Company amount to one third of the total amount of its paid-up share capital;</p> <p>III. It is required in writing by shareholder(s) individually or jointly holding more than 10% equity of the Company;</p> <p>IV. The Board deems to be necessary, or the Supervisory Committee proposes, the convening of an extraordinary general meeting;</p> <p>V. It is proposed by the independent directors;</p> <p>VI. Other circumstances stipulated by laws, regulations or these Articles of Association.</p>	<p>Article 68 Under any of the following circumstances, the board shall convene an extraordinary general meeting within two months from the date upon which the circumstance in question occurs:</p> <p>I. The number of directors falls short of the statutory minimum quorum prescribed by the Company Law or is less than two-thirds of the number required by these Articles of Association;</p> <p>II. The un-recovered losses of the Company amount to one third of the total amount of its paid-up share capital;</p> <p>III. It is required in writing by shareholder(s) individually or jointly holding more than 10% equity of the Company;</p> <p>IV. The Board deems to be necessary, or the Supervisory Committee proposes, the convening of an extraordinary general meeting;</p> <p>V. It is proposed by more than half of the independent directors;</p> <p>VI. Other circumstances stipulated by laws, regulations or these Articles of Association.</p> <p>The number of shares held as mentioned in Clause III above is calculated on the date of the written request made by the shareholders.</p>

Existing articles	To be amended as
<p>Article 69 The venue of general meeting of the Company shall be: the domicile of the Company or another place notified by the convener of the general meeting.</p> <p>General meetings shall be held on site at the venue. The Company may also provide a network or any other means for its shareholders to conveniently participate in general meetings. Shareholders participating in the general meetings by any of the aforesaid means shall be deemed as having attended said meetings.</p>	<p>Article 69 The venue of general meeting of the Company shall be: the domicile of the Company or another place notified by the convener of the general meeting.</p> <p>General meetings shall be held on site at the venue. The Company may also provide internet voting for its shareholders to conveniently participate in general meetings. Shareholders participating in the general meetings by any of the aforesaid means shall be deemed as having attended said meetings.</p>
<p>Article 108 All issues under Clauses (I), (II), (III) (IV) (V) (IX) (XI) (XIII) (XVI) of Article 64 of these Articles of Association on the functions of a general meeting, or issues other than those that are to be passed by special resolutions pursuant to the relevant laws, regulations, or these Articles of Association, shall be approved by ordinary resolutions at a general meeting.</p>	<p>Article 108 All issues under Clauses (I), (II), (III), (IV), (V), (IX), (XI) (refers to other external guarantees other than Clause II of Article 65 of these Articles of Association), (XIII) and (XVI) of Article 64 of these Articles of Association on the functions of a general meeting, or issues other than those that are to be passed by special resolutions pursuant to the relevant laws, regulations, or these Articles of Association, shall be approved by ordinary resolutions at a general meeting.</p>
<p>Article 109 Clauses (VI), (VII), (VIII), (X), (XII) and (XIV) listed in Article 62 above regarding the functions performed by the shareholder’s meeting, or clauses specified in applicable laws, rules or regulations or this Articles of Association, or clauses that are confirmed by a general resolution of the shareholder’s meeting to have an important influence on the Company and are to be ratified through a special resolution, shall be ratified by a special resolution on the meeting. The above stipulations regarding a general or special resolution shall apply to Article XV, depending on the particulars of the proposal.</p>	<p>Article 109 Clauses (VI), (VII), (VIII), (X), (XI) (refers to the external guarantees in Clause II of Article 65 of these Articles of Association), (XII) and (XIV) listed in Article 62 above regarding the functions performed by the shareholder’s meeting, or clauses specified in applicable laws, rules or regulations or this Articles of Association, or clauses that are confirmed by a general resolution of the shareholder’s meeting to have an important influence on the Company and are to be ratified through a special resolution, shall be ratified by a special resolution on the meeting. The above stipulations regarding a general or special resolution shall apply to Article XV, depending on the particulars of the proposal.</p>
<p>Article 136 Each board of directors serves the Company for three (3) years. Directors are elected or replaced by the general meeting of shareholders, with its term of office commencing on the date on which the resolution is passed at the meeting and ending on the expiration of the term of office of the Board. Directors may be reelected upon the expiration of their terms.</p> <p>Where not otherwise provided by law, the issuer in general meeting shall have power by ordinary resolution to remove any director (including a managing or other executive director) before the expiration of his period of office, but such removal shall be without prejudice to any claim for damages under any contract.</p>	<p>Article 136 Each board of directors serves the Company for three years. Directors are elected or replaced by the general meeting of shareholders, and may be dismissed by the general meeting of shareholders before the expiration of their terms of office. Their terms of office commence on the date on which the resolution is passed at the meeting and end on the expiration of the term of office of the Board. Directors may be reelected upon the expiration of their terms.</p> <p>Where not otherwise provided by law, the issuer in general meeting shall have power by ordinary resolution to remove any director (including a managing or other executive director) before the expiration of his period of office, but such removal shall be without prejudice to any claim for damages under any contract.</p>

Existing articles	To be amended as
<p>A director whose term of office is to expire shall continue with his/her duties as a director before the newly elected director takes office, observing the applicable laws, administrative regulations, rules and regulations, and these Articles of Association.</p> <p>Any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election.</p> <p>The General Manager or other executives can be appointed as a Director on a concurrent basis. Directors holding a concurrent post as General Manager or other executive shall account for less than 50% of the members of the Board.</p> <p>Directors need not be shareholders of the Company.</p>	<p>A director whose term of office is to expire shall continue with his/her duties as a director before the newly elected director takes office, observing the applicable laws, administrative regulations, rules and regulations, and these Articles of Association.</p> <p>The General Manager or other executives can be appointed as a Director on a concurrent basis. Directors holding a concurrent post as General Manager or other executive shall account for less than 50% of the members of the Board.</p> <p>Directors need not be shareholders of the Company.</p>
<p>Article 148 The board of directors shall exercise the following powers:</p> <ul style="list-style-type: none"> I. Convening the general meeting of shareholders and reporting to the meeting; II. Implementing the resolutions passed at the general meeting of shareholders; III. Determining the operational plans and investment methods of the Company; IV. Within the scope of authority of the general meeting of shareholders, deciding on such issues as foreign investment, purchase of assets on sale, mortgage of assets, financing agency, associated transactions, etc; V. Preparing the annual financial budget and the final accounts; VI. Formulating plans for distribution of profits and the recovery of losses; VII. Formulating a plan for the increase or decreases of the registered capital; VIII. Formulating a plan for the listing and issuance of bonds or other securities; 	<p>Article 148 The board of directors shall exercise the following powers:</p> <ul style="list-style-type: none"> I. Convening the general meeting of shareholders and reporting to the meeting; II. Implementing the resolutions passed at the general meeting of shareholders; III. Determining the operational plans and investment methods of the Company; IV. Within the scope of authority of the general meeting of shareholders, deciding on such issues as foreign investment, purchase of assets on sale, mortgage of assets, financing agency, associated transactions, etc; V. Preparing the annual financial budget and the final accounts; VI. Formulating plans for distribution of profits and the recovery of losses; VII. Formulating a plan for the increase or decreases of the registered capital; VIII. Formulating a plan for the listing and issuance of bonds or other securities;

Existing articles	To be amended as
IX. Formulating plans for substantial acquisitions, buy-backs, mergers, separation, dissolution or change in corporate form;	IX. Formulating plans for substantial acquisitions, buy-backs, mergers, separation, dissolution or change in corporate form;
X. Making decisions on the establishment of the Company's internal management system;	X. Making decisions on the establishment of the Company's internal management system;
XI. Appointing or removing the general manager;	XI. Appointing or removing the general manager;
XII. Appointing or removing the secretary of the board of directors appointed by the chairman;	XII. Appointing or removing the secretary of the board of directors appointed by the chairman;
XIII. Appointing or removing the deputy general manager, the controller and other executives appointed by the general manager, and defining the compensation and bonus-penalty package for such executives;	XIII. Appointing or removing the deputy general manager, the controller and other executives appointed by the general manager, and defining the compensation and bonus-penalty package for such executives;
XIV. Formulating the basic management system at the Company;	XIV. Formulating the basic management system at the Company;
XV. Defining plans for the amendment of these Articles of Association;	XV. Defining plans for the amendment of these Articles of Association;
XVI. Planning the equity incentive packages at the Company;	XVI. Planning the equity incentive packages at the Company;
XVII. Controlling information disclosure at the Company;	XVII. Controlling information disclosure at the Company;
XVIII. Suggesting the appointment or replacement of the accounting firm working for the Company general meeting of shareholders;	XVIII. Suggesting the appointment or replacement of the accounting firm working for the Company general meeting of shareholders;
XIX. Receiving reports from the general manager and reviewing his performance;	XIX. Receiving reports from the general manager and reviewing his performance;
XX. Appointing a chairman and vice chairman;	XX. Appointing a chairman and vice chairman;
XXI. Reviewing and approving the provision of security to foreign parties which, according to Article 65 above, is not subject to review by the general meeting of shareholders;	XXI. Reviewing and approving the provision of security to foreign parties which, according to Article 65 above, is not subject to review by the general meeting of shareholders;
XXII. Making decisions on the establishment or abandonment of a branch;	XXII. Making decisions on the establishment or abandonment of a branch;
XXIII. Making decisions on the specific implementation plan for such issues as the merger, division and restructuring of branches;	XXIII. Making decisions on the specific implementation plan for such issues as the merger, division and restructuring of branches;

Existing articles	To be amended as
XXIV. Making decisions on employees' compensation, benefits and bonus-penalty policy and package;	XXIV. Making decisions on employees' compensation, benefits and bonus-penalty policy and package;
XXV. Making decisions on the risk management system, including risk assessment, financial control, internal audit, legal risk control, and monitoring of implementation;	XXV. Making decisions on the risk management system, including risk assessment, financial control, internal audit, legal risk control, and monitoring of implementation;
XXVI. Making decisions on the establishment of board committees and the appointment or removal of the chairmen of such committees;	XXVI. Making decisions on the establishment of board committees and the appointment or removal of the chairmen of such committees;
XXVII. Making decisions on the establishment of securities and pledges on its assets;	XXVII. Making decisions on the establishment of securities and pledges on its assets;
XXVIII. Making decisions on the provision of loan guarantees for the head office of the Company;	XXVIII. Making decisions on the provision of loan guarantees for the head office of the Company;
XXIX. Determining the annual extra costs and expenses at the Company;	XXIX. Determining the annual extra costs and expenses at the Company;
XXX. Other powers or authority specified in applicable laws, administrative rules and regulations or these Articles of Association and authorized by the general meeting of shareholders.	XXX. Promoting the law-based operation and decision-making, reviewing and monitoring the Company's policies and practices on compliance with laws and regulatory requirements, guiding and supervising the construction plan of corporate rule of law, establishing and implementing the general legal adviser system, guiding the study of resolving major issues on construction of corporate rule of law, promoting publicity and education on the corporate rule of law, so as to provide the conditions and protection for the construction of corporate rule of law; if legal issues are involved in matters to be studied and considered, the general legal adviser shall be notified to attend the meeting and listen to the opinions;
<p>The above powers or functions or any transactions or arrangements at the Company shall be reported to the general meeting of shareholders for its review according to the listing rules of the exchange where the stock of the Company are publicly traded.</p>	
<p>Resolutions in the preceding Article shall win a simple majority of votes of all directors, except for Articles 7, 8, 9 and 15, which shall require a two-thirds majority or more of the votes of all the directors, and for Article 21, which shall require a two-thirds majority or more of the votes of all directors appearing at the meeting.</p>	XXXI. Establishing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board;
	XXXII. Reviewing and monitoring the training and continuing professional development of Directors and senior management;

Existing articles	To be amended as
	<p>XXXIII. Reviewing the Company’s compliance with the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and disclosure in the Corporate Governance Report;</p> <p>XXXVI. Other powers or authority specified in applicable laws, administrative rules and regulations or these Articles of Association and authorized by the general meeting of shareholders.</p> <p>The above powers or functions or any transactions or arrangements at the Company shall be reported to the general meeting of shareholders for its review according to the listing rules of the exchange where the stock of the Company are publicly traded.</p> <p>Resolutions in the preceding Article shall win a simple majority of votes of all directors, except for Articles 7, 8, 9 and 15, which shall require a two-thirds majority or more of the votes of all the directors, and for Article 21, which shall require a two-thirds majority or more of the votes of all directors appearing at the meeting.</p>
<p>Article 150 Board committees shall be formed to provide the board of directors with advice and suggestions on important issues. A strategy committee, audit committee, compensation and evaluation committee and nomination committee and other specialized committees shall be formed at the Company.</p> <p>Such board committees shall be under the board of directors, all consisting of members of the board of directors. Independent directors shall occupy most seats and act as directors in such committees as the audit committee, compensation and evaluation committee and nomination committee. At least one of the independent directors at the audit committee shall be a professional in the accounting domain, and at least one director shall be equipped with appropriate professional qualifications in the listing rules of major exchanges or other equivalent expertise in accounting or financial management. When necessary, the board of directors may form other committees or restructure existing ones. The board of directors shall formulate specific rules of procedure for such board committees, defining their functions and procedures.</p>	<p>Article 150 Board committees shall be formed to provide the board of directors with advice and suggestions on important issues. A strategy committee, audit committee, compensation and evaluation committee, nomination committee, risk control committee and other specialized committees shall be formed at the Company.</p> <p>Such board committees shall be under the board of directors, all consisting of members of the board of directors. Independent directors shall occupy most seats and act as directors in such committees as the audit committee, compensation and evaluation committee and nomination committee, and independent directors shall occupy most seats in risk control committee. At least one of the independent directors at the audit committee shall be a professional in the accounting domain, and at least one director shall be equipped with appropriate professional qualifications in the listing rules of major exchanges or other equivalent expertise in accounting or financial management. When necessary, the board of directors may form other committees or restructure existing ones. The board of directors shall formulate specific rules of procedure for such board committees, defining their functions and procedures.</p>

Existing articles	To be amended as
<p><i>Newly added article – the original Article 155 is re-numbered as Article 156</i></p>	<p>Article 155 The risk control committee under the board of directors shall be mainly responsible for:</p> <ul style="list-style-type: none"> I. Considering risk control strategies and major risk control solutions; II. Reviewing the effectiveness of the Company’s risk management; III. Considering major decisions and risk assessment report of major projects; IV. Guiding and promoting the construction of the rule of law of the Company, and supervising the law-based operation of the Company by the managers; V. Other risk control matters authorized by the board of directors. <p><i>Note: The subsequent articles are re-numbered accordingly.</i></p>
<p>Article 157 The chairman of the Board of Directors shall perform the following functions:</p> <ul style="list-style-type: none"> I. Presiding over shareholders’ meetings and convening and presiding over meetings of the Board of Directors; II. Checking and supervising the implementation of board resolutions; III. Nominating a candidate for the secretary of the board of directors; IV. Defining the systems necessary for the operation of the board of directors, and coordinating its operation; V. Receiving regular and non-regular performance reports from executives, providing the board of directors with steering comments on the implementation of board resolutions; VI. Other powers or authorities specified in applicable laws, administrative rules and regulations or these Articles of Association, or authorized by the board of directors. 	<p>Article 158 The chairman of the Board of Directors shall perform the following functions:</p> <ul style="list-style-type: none"> I. Presiding over shareholders’ meetings and convening and presiding over meetings of the Board of Directors; II. Checking and supervising the implementation of board resolutions; III. Nominating a candidate for the secretary of the board of directors; IV. Defining the systems necessary for the operation of the board of directors, and coordinating its operation; V. Receiving regular and non-regular performance reports from executives, providing the board of directors with steering comments on the implementation of board resolutions; VI. Listening to the work report on the rule of law construction of the Company;

Existing articles	To be amended as
<p>Should the chairman be unable to perform his duties, a designated vice-chairman may perform such duties in his name.</p>	<p>VII. Other powers or authorities specified in applicable laws, administrative rules and regulations or these Articles of Association, or authorized by the board of directors.</p> <p>Should the chairman be unable to perform his duties, a designated vice-chairman may perform such duties in his name.</p>
<p>Article 159 The Board of Directors shall hold at least two regular meetings every year, which shall be convened by the chairman. All the directors and supervisors shall be informed in writing thereof 10 days prior to the convening of the meeting.</p> <p>The Board shall convene a provisional meeting when it is deemed necessary by the chairman, proposed by shareholders representing more than 10% of the voting rights, jointly proposed by more than one-third of the directors, jointly proposed by more than half of the independent directors, proposed by the general manager, or proposed by the Supervisory Committee, requested by securities regulatory authorities or under other circumstances stipulated in the Articles of Association. The Board shall convene a provisional meeting within 10 days after the chairman receives notice of the proposal.</p>	<p>Article 160 The Board of Directors shall hold at least four regular meetings every year, which shall be convened by the chairman. All the directors and supervisors shall be informed in writing thereof 14 days prior to the convening of the meeting.</p> <p>The Board shall convene a provisional meeting when it is deemed necessary by the chairman, proposed by shareholders representing more than 10% of the voting rights, jointly proposed by more than one-third of the directors, jointly proposed by more than half of the independent directors, proposed by the general manager, or proposed by the Supervisory Committee, requested by securities regulatory authorities or under other circumstances stipulated in the Articles of Association. The Board shall convene a provisional meeting within 10 days after the chairman receives notice of the proposal.</p>
<p>Article 160 If the Board convenes a provisional Board meeting, the contents of the notice of such meeting may follow the format stated in Article 246 of these Articles of Association. The Board shall notify all the directors and supervisors within 5 days prior to the convening of the meeting.</p>	<p>Article 161 If the Board convenes a provisional Board meeting, the contents of the notice of such meeting may follow the format stated in Article 247 of these Articles of Association. The Board shall notify all the directors and supervisors within 5 days prior to the convening of the meeting.</p> <p>In emergency situations where an extraordinary Board meeting needs to be convened as soon as possible, notice of the meeting may be given by telephone or by other means of verbal communication at any time, but the convener shall provide an explanation for such action at the meeting.</p>

Existing articles	To be amended as
<p>Article 173 The Company shall establish a managerial team. Under the direction of the Board of Directors, it shall execute the decisions made by the Board and be responsible for the routine operation of the Company. The managerial team shall be under the charge of a general manager.</p> <p>The managerial team shall consist of one general manager who shall be appointed or dismissed by the Board, several deputy general managers, and one financial supervisor.</p>	<p>Article 174 The Company shall establish a managerial team. Under the direction of the Board of Directors, it shall execute the decisions made by the Board and be responsible for the routine operation of the Company. The managerial team shall be under the charge of a general manager.</p> <p>The managerial team shall consist of one general manager who shall be appointed or dismissed by the Board.</p> <p>The managerial team shall also consist of several deputy general managers, one financial supervisor, and one general legal adviser.</p>
<p>Article 175 A controlling shareholder or an effective controller of the Company who serves in positions other than that of director may not serve as a senior executive of the Company.</p>	<p>Article 176 A controlling shareholder or an effective controller of the Company who serves in administrative positions other than that of director and supervisor may not serve as a senior executive of the Company.</p>
<p>Article 176 The general manager of the Company shall be accountable to the Board of Directors and shall exercise the following powers:</p> <ul style="list-style-type: none"> I. Presiding over the management of the Company’s production and operation and submitting work reports to the Board of Directors; II. Implementing resolutions decided upon by the Board of Directors; III. Implementing the Company’s annual business plan and investment schemes; IV. Formulating schemes for the setup of company’s internal management organization; V. Formulating the Company’s basic management regulations; VI. Formulating details of the Company’s regulations and rules; VII. Making proposals regarding the appointment or dismissal of deputy general managers and the financial supervisor of the Company; VIII. Appointing or dismissing management personnel other than those who shall be appointed or dismissed by the Board of Directors; 	<p>Article 177 The general manager of the Company shall be accountable to the Board of Directors and shall exercise the following powers:</p> <ul style="list-style-type: none"> I. Presiding over the management of the Company’s production and operation and submitting work reports to the Board of Directors; II. Implementing resolutions decided upon by the Board of Directors; III. Implementing the Company’s annual business plan and investment schemes; IV. Formulating schemes for the setup of company’s internal management organization; V. Formulating the Company’s basic management regulations; VI. Formulating details of the Company’s regulations and rules; VII. Making proposals regarding the appointment or dismissal of deputy general managers, the financial supervisor and general legal adviser of the Company; VIII. Appointing or dismissing management personnel other than those who shall be appointed or dismissed by the Board of Directors;

Existing articles	To be amended as
<p>IX. Drafting proposals regarding the merger, division, and reorganization of the subsidiary of the Company;</p> <p>X. Drafting the organizational structure of branches of the Company;</p> <p>XI. Drafting policies and proposals concerning the salaries, benefits, and mechanisms of award and punishment of employees;</p> <p>XII. Being commissioned by the Board of Directors to handle business operations of the Company pursuant to the laws and regulations and benefits of the Company in the event of force majeure or an emergency in which it is impossible to convene a Board of Directors meeting. A report shall be given to the Board of Directors after such event occurs;</p> <p>XIII. Exercising other powers as authorized by the laws, administrative regulations, department charters, or these Articles of Association and the Board of Directors.</p> <p>The mandate granted by the Board to the general manager can be exercised only after discussion and demonstration by the meeting of the general manager’s office.</p>	<p>IX. Drafting proposals regarding the merger, division, and reorganization of the subsidiary of the Company;</p> <p>X. Drafting the organizational structure of branches of the Company;</p> <p>XI. Drafting policies and proposals concerning the salaries, benefits, and mechanisms of award and punishment of employees;</p> <p>XII. Being commissioned by the Board of Directors to handle business operations of the Company pursuant to the laws and regulations and benefits of the Company in the event of force majeure or an emergency in which it is impossible to convene a Board of Directors meeting. A report shall be given to the Board of Directors after such event occurs;</p> <p>XIII. Exercising other powers as authorized by the laws, administrative regulations, department charters, or these Articles of Association and the Board of Directors.</p> <p>The mandate granted by the Board to the general manager can be exercised only after discussion and demonstration by the meeting of the general manager’s office.</p>
<p>Article 213 The contracts on remuneration matters as concluded between the Company and its directors and supervisors shall specify that when the Company is to be purchased, with prior approval by the shareholder’s meeting, the Company’s directors and supervisors shall be entitled to receive compensation or other sums for their lost position or retirement.</p> <p>The Company’s being purchased as mentioned in the preceding clause refers to one of the following cases:</p> <p>I. Anyone makes a purchase offer to all the shareholders;</p> <p>II. Anyone makes a purchase offer with a view to make the offeror the controlling shareholder, which is so defined in the Articles of Association.</p>	<p>Article 214 The contracts on remuneration matters as concluded between the Company and its directors and supervisors shall specify that when the Company is to be purchased, with prior approval by the shareholder’s meeting, the Company’s directors and supervisors shall be entitled to receive compensation or other sums for their lost position or retirement, and such compensation shall be fair, and shall not impair the legitimate rights and interests of the Company nor involve any transfer of benefit.</p> <p>The Company’s being purchased as mentioned in the preceding clause refers to one of the following cases:</p> <p>I. Anyone makes a purchase offer to all the shareholders;</p> <p>II. Anyone makes a purchase offer with a view to make the offeror the controlling shareholder, which is so defined in the Articles of Association.</p>

Existing articles	To be amended as
<p>If the related director or supervisor fails to follow the regulation in this article, any sum so received shall be owned by those who sell their stock by accepting the aforesaid offer, and the director or supervisor shall bear the expenses occurring from proportionate distribution of such sums, which may not be deducted from such sums.</p>	<p>If the related director or supervisor fails to follow the regulation in this article, any sum so received shall be owned by those who sell their stock by accepting the aforesaid offer, and the director or supervisor shall bear the expenses occurring from proportionate distribution of such sums, which may not be deducted from such sums.</p>
<p>Article 238 The internal audit system and duties of the auditors shall be subject to the approval of the Board. The auditors shall be accountable to the Board and report their work to the same.</p>	<p>Article 239 The internal audit system and duties of the auditors shall be subject to the approval of the Board. The Company’s supervision and audit department independently conducts internal audit work under the guidance of the audit committee under the board of directors and the leadership of the Company’s management, and accepts the business guidance and supervisory checks of the audit institution of the superior unit.</p>
<p>Article 271 The term “senior management officer” referred to herein shall refer to the general manager, deputy general manager, financial controller or board secretary. The “general manager” and “deputy general manager” referred to herein shall just be the “manager” and “deputy manager” referred to in the Company Law.</p>	<p>Article 272 The term “senior management officer” referred to herein shall refer to the general manager, deputy general manager, financial controller, board secretary and general legal adviser. The “general manager” and “deputy general manager” referred to herein shall just be the “manager” and “deputy manager” referred to in the Company Law.</p>

Note:

The above table does not include the amendments to the numbering of, and consequentially the references to, subsequent articles due to the newly added Article 155.

The full text of the Proposed Amendments to the Rules and Procedures of the Shareholders' General Meetings is set out below.

Existing articles	To be amended as
<p>Article 1 These rules are formulated in accordance with the laws and regulations including the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China, the Mandatory Provisions in the Articles of Association of Companies Listed Overseas, Guidelines on the Articles of Association of Listed Companies (2006 Revised), Rules for the Shareholders' General Meetings of Listed Companies, the Rules governing the Listing of Securities on The Hong Kong Stock Exchange of Hong Kong Limited as amended from time to time (the "Hong Kong Listing Rules"), the Share Listing Rules of the Shanghai Stock Exchange (the "Shanghai Listing Rules") and with the Articles of Association of COSCO SHIPPING Energy Transportation Co., Ltd. (the "Articles of Association"), in order to protect the lawful interests of COSCO SHIPPING Energy Transportation Co., Ltd. (the "Company") and its shareholders, clearly define the responsibilities and authorities of the general meeting, ensure the general meeting to operate in a standardized and efficient manner and perform its functions and powers under the laws.</p>	<p>Article 1 These rules are formulated in accordance with the laws and regulations including the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China, the Mandatory Provisions in the Articles of Association of Companies Listed Overseas, Guidelines on the Articles of Association of Listed Companies, Rules for the Shareholders' General Meetings of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time (the "Hong Kong Listing Rules"), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the "Shanghai Listing Rules") and with the Articles of Association of COSCO SHIPPING Energy Transportation Co., Ltd. (the "Articles of Association"), in order to protect the lawful interests of COSCO SHIPPING Energy Transportation Co., Ltd. (the "Company") and its shareholders, clearly define the responsibilities and authorities of the general meeting, ensure the general meeting to operate in a standardized and efficient manner and perform its functions and powers under the laws.</p>

Existing articles	To be amended as
<p>Article 4 The shareholders' general meeting is the organ of authority of the company, which exercises the following powers in accordance with the law:</p>	<p>Article 4 The shareholders' general meeting is the organ of authority of the company, which exercises the following powers in accordance with the law:</p>
(I) to decide on the Company's operational policies and investment plans;	(I) to decide on the Company's operational policies and investment plans;
(II) to elect or remove Directors and Supervisors who are not representatives of employees and decide on matters relating to the remuneration of Directors and Supervisors;	(II) to elect or remove Directors and Supervisors who are not representatives of employees and decide on matters relating to the remuneration of Directors and Supervisors;
(III) to consider and approve reports of the Board of Directors and the Supervisory Committee;	(III) to consider and approve reports of the Board of Directors and the Supervisory Committee;
(IV) to consider and approve the Company's proposed annual financial budget and final accounts;	(IV) to consider and approve the Company's proposed annual financial budget and final accounts;
(V) to consider and approve the Company's proposals for profit distribution plans and recovery of losses;	(V) to consider and approve the Company's proposals for profit distribution plans and recovery of losses;
(VI) to decide on any increase or reduction of the Company's registered capital;	(VI) to decide on any increase or reduction of the Company's registered capital;
(VII) to decide on issues such as merger, division, dissolution, liquidation or changing the form of the Company and other matters;	(VII) to decide on issues such as merger, division, dissolution, liquidation or changing the form of the Company and other matters;
(VIII) to decide on the issue of corporate bonds or other securities and the listing plan;	(VIII) to decide on the issue of corporate bonds or other securities and the listing plan;
(IX) to decide on the appointment or dismissal of accountants;	(IX) to decide on the appointment or dismissal of accountants;
(X) to amend the Company's Articles of Association;	(X) to amend the Company's Articles of Association;
(XI) to consider and approve guarantees pursuant to Article 5;	(XI) to consider and approve guarantees pursuant to Article 5;
(XII) to consider and approve the Company's purchase or sale of major assets within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company (other than acts of disposal between the Company and its controlling subsidiaries and among controlling subsidiaries of the Company);	(XII) to consider and approve the Company's purchase or sale of major assets within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company (other than acts of disposal between the Company and its controlling subsidiaries and among controlling subsidiaries of the Company);

Existing articles	To be amended as
(XIII) to consider and approve matters relating to the changes in the use of proceeds from share offerings;	(XIII) to consider and approve matters relating to the changes in the use of proceeds from share offerings;
(XIV) to consider and approve the equity incentive scheme;	(XIV) to consider and approve the equity incentive scheme;
(XV) to consider proposals raised by the shareholders who represent more than 3% (including 3%) of the Company's shareholders with voting rights; and	(XV) to consider proposals raised by the shareholders who represent more than 3% (including 3%) of the Company's shareholders with voting rights; and
(XVI) to consider such other matters provided by the laws, administrative regulations, departmental rules and regulations, the listing rules of the stock exchange(s) on which the shares of the Company are listed or the Articles of Association which shall be decided by the shareholders' general meeting.	(XVI) to consider such other matters provided by the laws, administrative regulations, departmental rules and regulations, the listing rules of the stock exchange(s) on which the shares of the Company are listed, the Articles of Association or other institutional documents of the Company considered and approved by the shareholders' general meeting which shall be decided by the shareholders' general meeting.
	<p>The matters listed in sub paragraphs (VI), (VII), (VIII), (X), (XI) (the external guarantees in Clause II of Article 5 of these Rules), (XII) and (XIV), or specified in laws and regulations or the Articles of Association, or the matters are confirmed by an ordinary resolution of the general meeting to have an important influence on the Company and are to be approved through a special resolution, shall be approved by a special resolution at the general meeting. The above stipulations regarding a general and special resolution shall apply to the matters listed in sub paragraph (XV), depending on the particulars of the proposal.</p> <p>All the matters listed in sub paragraphs (I), (II), (III), (IV), (V), (IX), (XI) (other external guarantees other than Clause II in Article 5 of these Rules), (XIII) and (XVI), or the matters other than those that are to be passed by special resolutions, shall be approved by ordinary resolutions at a general meeting.</p>

Existing articles	To be amended as
<p>Article 6 “External guarantee” as mentioned in the Articles of Association refers to guarantee provided by the Company for others, including guarantee provided by the Company for its holdings subsidiaries. “Total external guarantee of the Company and its holdings subsidiaries” refers to the sum of Company’s total external guarantee including the guarantee provided by the Company for its holdings subsidiaries plus the total external guarantee provided by the holdings subsidiaries of the Company. The Board Office of the Company is responsible for the preparations and organisations of general meetings.</p>	<p>Article 6 “External guarantee” as mentioned in these Rules refers to guarantee provided by the Company for others, including guarantee provided by the Company for its holdings subsidiaries. “Total external guarantee of the Company and its holdings subsidiaries” refers to the sum of Company’s total external guarantee including the guarantee provided by the Company for its holdings subsidiaries plus the total external guarantee provided by the holdings subsidiaries of the Company. The Board Office of the Company is responsible for the preparations and organisations of general meetings.</p>
<p>Article 19 Shareholder(s) either individually or collectively holding 3% or more of the Company’s shares may submit their provisional proposals in writing to the convener ten (10) working days before the meeting is convened. The convener shall issue a supplementary notice of the general meeting to announce the contents of the proposals. Other than the circumstances referred to in the preceding paragraph, after the convenor has issued the announcement for the general meeting, no changes shall be made to the stated proposals in the notice of the meeting or the newly added proposals. The general meeting shall not vote on or resolve proposals not stated in the notice of the general meeting or proposals which do not meet the requirements in Article 17 of these Rules.</p>	<p>Article 19 Shareholder(s) either individually or collectively holding 3% or more of the Company’s shares may submit their provisional proposals in writing to the convener ten (10) days before the meeting is convened. The convener shall issue a supplementary notice of the general meeting to announce the contents of the proposals. Other than the circumstances referred to in the preceding paragraph, after the convenor has issued the announcement for the general meeting, no changes shall be made to the stated proposals in the notice of the meeting or the newly added proposals. The general meeting shall not vote on or resolve proposals not stated in the notice of the general meeting or proposals which do not meet the requirements in Article 17 of these Rules.</p>
<p>Article 23 For the matter relating to the election of directors and supervisors is proposed to be discussed at the general meeting, the notice of the meeting shall fully disclose the detailed information of the candidates for directors and supervisors, which should at least include the following:</p> <ul style="list-style-type: none">(I) Personal information including educational background, working experience, and any part-time job;(II) Whether there is any connected relationship between them and the Company or its controlling shareholder(s) and actual controlling person(s);	<p>Article 23 For the matter relating to the election of directors and supervisors is proposed to be discussed at the general meeting, the notice of the meeting shall fully disclose the detailed information of the candidates for directors and supervisors, which should at least include the following:</p> <ul style="list-style-type: none">(I) Personal information including educational background, working experience, and any part-time job;(II) Whether there is any connected relationship between them and the Company or its controlling shareholder(s) and actual controlling person(s);

Existing articles	To be amended as
<p>(III) Disclosure of their shareholdings in the Company;</p> <p>(IV) Whether they have been subject to any punishment by China Securities Regulatory Commission or other related authorities or stock exchange(s).</p> <p>In addition to the adoption of the accumulative voting system to elect directors and supervisors, each of the candidates for directors or supervisors shall be proposed in a separate proposal.</p>	<p>(III) Disclosure of their shareholdings in the Company;</p> <p>(IV) Whether they have been subject to any punishment by China Securities Regulatory Commission or other related authorities or stock exchange(s).</p> <p>In addition to the adoption of the accumulative voting system to elect directors and supervisors, each of the candidates for directors or supervisors shall be proposed in a separate proposal.</p> <p>Where the general meeting intends to discuss the election of independent non-executive directors, the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting should set out:</p> <p>(I) The process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;</p> <p>(II) If the proposed independent non-executive director will be holding his/her seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;</p> <p>(III) The perspectives, skills and experience that the individual can bring to the Board; and</p> <p>(IV) How the individual contributes to diversity of the Board.</p>
<p>Article 65 Rights conferred on any class of shareholders in the capacity of shareholders (“class rights”) may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Articles 65 to 69 of these rules. Any change or abolition of any rights of holders of class shares resulted from a change of domestic or overseas laws, regulations and the listing rules of the stock exchange(s) where the shares of the Company are listed and as a result of any decisions or orders legally announced by domestic or overseas regulatory authorities shall not be subject to approvals of shareholders meeting or meeting of holders of class shares.</p>	<p>Article 65 Rights conferred on any class of shareholders in the capacity of shareholders (“class rights”) may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Articles 66 to 70 of these rules. Any change or abolition of any rights of holders of class shares resulted from a change of domestic or overseas laws, regulations and the listing rules of the stock exchange(s) where the shares of the Company are listed and as a result of any decisions or orders legally announced by domestic or overseas regulatory authorities shall not be subject to approvals of shareholders meeting or meeting of holders of class shares.</p>

Existing articles	To be amended as
<p>Article 67 Shareholders of the affected class, whether or not otherwise entitled to vote at shareholders' general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning sub paragraphs (2) to (8), (11) and (12) of Article 64, but interested shareholder(s) shall not be entitled to vote at class meetings. The meaning of "interested shareholder(s)" as mentioned in the preceding paragraph is:</p> <p>(I) in the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on a stock exchange under the Articles of Association of the Company, an "interested shareholder" refers to a controlling shareholder within the meaning of the Articles of Association of the Company;</p> <p>(II) in the case of a repurchase of the company's own share by an agreement under the Articles of Association of the Company, "an interested shareholder" refers to the shareholder who is related to the agreement;</p> <p>(III) in the case of a restructuring of the Company, "an interested shareholder" refers to a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.</p>	<p>Article 67 Shareholders of the affected class, whether or not otherwise entitled to vote at shareholders' general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning sub paragraphs (2) to (8), (11) and (12) of Article 66, but interested shareholder(s) shall not be entitled to vote at class meetings. The meaning of "interested shareholder(s)" as mentioned in the preceding paragraph is:</p> <p>(I) in the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on a stock exchange under the Articles of Association of the Company, an "interested shareholder" refers to a controlling shareholder within the meaning of the Articles of Association of the Company;</p> <p>(II) in the case of a repurchase of the company's own share by an agreement under the Articles of Association of the Company, "an interested shareholder" refers to the shareholder who is related to the agreement;</p> <p>(III) in the case of a restructuring of the Company, "an interested shareholder" refers to a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.</p>
<p>Article 77 In the event matters are not dealt with by these Rules or these Rules are in contradiction to the laws and regulations, the listing rules of the Stock Exchange(s) where the shares of the Company are listed or the Articles of Association, the applicable laws and regulations, the listing rules of the Stock Exchange(s) where the shares of the Company are listed and the Articles of Association shall prevail.</p>	<p>Article 77 Any matters not covered in these Rules shall be subject to relevant national laws and regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association. If these Rules are inconsistent with the laws and regulations promulgated by the State in the future, the listing rules of the place where the shares of the Company are listed or the Articles of Association after being revised by legal procedures, it shall be implemented in accordance with the provisions of relevant national laws and regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association, and shall be revised immediately and submitted to the Board for consideration and approval.</p>

The full text of the Proposed Amendments to the Rules and Procedures of Meetings of the Board of Directors is set out below.

Existing articles	To be amended as
<p>Article 1 In order to regulate the rules of procedure and decision-making of the Board of Directors of COSCO SHIPPING Energy Transportation Co., Ltd. (“the Company”), to make the directors and the Board effectively perform their duties, and to ensure the standard operation and scientific decision-making of the Board, these Rules are formulated in accordance with the Company Law of the People’s Republic of China (“Company Law”), Securities Law of the People’s Republic of China, Mandatory Provisions for the Articles of Association of Companies Listed Overseas, Standards for the Governance of Listed Companies, Stock Listing Rules of Shanghai Stock Exchange, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Listing Rules of the Shanghai Stock Exchange and Articles of Association of COSCO SHIPPING Energy Transportation Co., Ltd. (“Articles of Association”).</p>	<p>Article 1 In order to regulate the rules of procedure and decision-making of the Board of Directors of COSCO SHIPPING Energy Transportation Co., Ltd. (“the Company”), to make the directors and the Board effectively perform their duties, and to ensure the standard operation and scientific decision-making of the Board, these Rules are formulated in accordance with the Company Law of the People’s Republic of China (“Company Law”), Securities Law of the People’s Republic of China, Mandatory Provisions for the Articles of Association of Companies Listed Overseas, Standards for the Governance of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and Articles of Association of COSCO SHIPPING Energy Transportation Co., Ltd. (“Articles of Association”).</p>
<p>Article 4 Pursuant to Articles of Association, the Board shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to execute resolutions of general meetings;</p> <p>(III) to resolve on the business plans and investment plans of the Company;</p> <p>(IV) to decide on the investment, purchase and disposal of assets, asset mortgage, consigned financial management, connected transactions, etc. within the authority granted by the general meeting;</p> <p>(V) to prepare the annual financial budgets and final accounting plans of the Company;</p> <p>(VI) to prepare the profit distribution plan and loss makeup plan of the Company;</p> <p>(VII) to formulate plans for the increase or decrease of the registered capital of the Company;</p>	<p>Article 4 Pursuant to Articles of Association, the Board shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to execute resolutions of general meetings;</p> <p>(III) to resolve on the business plans and investment plans of the Company;</p> <p>(IV) to decide on the investment, purchase and disposal of assets, asset mortgage, consigned financial management, connected transactions, etc. within the authority granted by the general meeting;</p> <p>(V) to prepare the annual financial budgets and final accounting plans of the Company;</p> <p>(VI) to prepare the profit distribution plan and loss makeup plan of the Company;</p> <p>(VII) to formulate plans for the increase or decrease of the registered capital of the Company;</p>

APPENDIX III**PROPOSED AMENDMENTS TO
THE RULES AND PROCEDURES OF
MEETINGS OF THE BOARD OF DIRECTORS**

Existing articles	To be amended as
(VIII) to formulate plans for issuing bonds or other securities and listing of the Company;	(VIII) to formulate plans for issuing bonds or other securities and listing of the Company;
(IX) to formulate plans for material acquisitions, repurchase of shares of the Company, merger, division, dissolution or transformation of the Company;	(IX) to formulate plans for material acquisitions, repurchase of shares of the Company, merger, division, dissolution or transformation of the Company;
(X) to resolve on the internal management setup of the Company;	(X) to resolve on the internal management setup of the Company;
(XI) to appoint or dismiss general manager of the Company;	(XI) to appoint or dismiss general manager of the Company;
(XII) to appoint or dismiss Board secretary as nominated by the chairman of the Board;	(XII) to appoint or dismiss Board secretary as nominated by the chairman of the Board;
(XIII) to appoint or dismiss senior executives including deputy general manager and chief financial officer of the Company as nominated by the general manager, and to determine their remunerations, awards and punishments;	(XIII) to appoint or dismiss senior executives including deputy general manager and chief financial officer of the Company as nominated by the general manager, and to determine their remunerations, awards and punishments;
(XIV) to set up the basic management system of the Company;	(XIV) to set up the basic management system of the Company;
(XV) to formulate the plan for any amendment to the Articles of Association;	(XV) to formulate the plan for any amendment to the Articles of Association;
(XVI) to formulate the equity incentive plan of the Company;	(XVI) to formulate the equity incentive plan of the Company;
(XVII) to manage the disclosure of the Company;	(XVII) to manage the disclosure of the Company;
(XVIII) to propose the appointment or replacement of the accountant conducting audit for the Company to the general meeting;	(XVIII) to propose the appointment or replacement of the accountant conducting audit for the Company to the general meeting;
(XIX) to listen to the work report by the general manager of the Company and examine the work of the general manager;	(XIX) to listen to the work report by the general manager of the Company and examine the work of the general manager;
(XX) to elect the chairman and the vice-chairman of the Company;	(XX) to elect the chairman and the vice-chairman of the Company;

Existing articles	To be amended as
(XXI) to consider and approve external guarantees given by the Company pursuant to the Articles of Association not subject to consideration by the general meeting;	(XXI) to consider and approve external guarantees given by the Company pursuant to the Articles of Association not subject to consideration by the general meeting;
(XXII) to decide on the establishment or cancellation of any branches of the Company;	(XXII) to decide on the establishment or cancellation of any branches of the Company;
(XXIII) to decide on such matters as the merger, division and reorganization of the subsidiaries of the Company;	(XXIII) to decide on such matters as the merger, division and reorganization of the subsidiaries of the Company;
(XXIV) to decide on the salary, benefits, award and punishment policy and plan;	(XXIV) to decide on the salary, benefits, award and punishment policy and plan;
(XXV) to decide on the risk management system of the Company, including risk appraisal, financial control, internal audit, legal risk control and to monitor its implementation;	(XXV) to decide on the risk management system of the Company, including risk appraisal, financial control, internal audit, legal risk control and to monitor its implementation;
(XXVI) to appoint or replace the directors and supervisors who are not representatives of employees of the wholly-owned subsidiaries of the Company, to recommend candidates for directors and supervisors who are not representatives of employees of the controlling and shareholding subsidiaries of the Company and to recommend candidates for senior management personnel of the wholly-owned and controlling subsidiaries;	(XXVI) to decide on the establishment of specialized committees under the Board, to appoint or dismiss the directors of specialized committees under the Board;
(XXVII) to decide on the establishment of specialized committees under the Board, to appoint or dismiss the directors of specialized committees under the Board;	(XXVII) to decide on the asset pledge or charge created by the Company for its own debts;
(XXVIII) to decide on the asset pledge or charge created by the Company for its own debts;	(XXVIII) to decide on the provision of guarantees for loans granted to the headquarters of the Company;
(XXIX) to manage the records of the responsible persons of the functional departments of the headquarters of the Company;	(XXIX) to decide on expenses other than the annual budget of the Company;

Existing articles	To be amended as
<p>(XXX) to decide on the provision of guarantees for loans granted to the headquarters of the Company;</p> <p>(XXXI) to decide on expenses other than the annual budget of the Company;</p> <p>(XXXII) to exercise other functions and powers specified in relevant laws, administrative regulations, departmental rules and the Articles of Association or granted by the general meetings.</p> <p>In exercising the aforesaid powers and functions, the Board shall also observe laws and regulations and the listing rules of the stock exchange(s) applicable to domestic and overseas listed companies.</p>	<p>(XXX) to promote the law-based operation and decision-making, review and monitor the Company's policies and practices on compliance with laws and regulatory requirements, guide and supervise the construction plan of corporate rule of law, establish and implement the general legal adviser system, guide the study of resolving major issues on construction of corporate rule of law, promote publicity and education on the corporate rule of law, so as to provide the conditions and protection for the construction of corporate rule of law; if legal issues are involved in matters to be studied and considered, the general legal adviser shall be notified to attend the meeting and listen to the opinions;</p> <p>(XXXI) to establish and review the Company's policies and practices on corporate governance and make recommendations to the Board.</p> <p>(XXXII) to review and monitor the training and continuing professional development of Directors and senior management;</p> <p>(XXXIII) to review the Company's compliance with the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and disclosure in the Corporate Governance Report;</p> <p>(XXXIV) to exercise other functions and powers specified in relevant laws, administrative regulations, departmental rules and the Articles of Association or granted by the general meetings.</p> <p>In exercising the aforesaid powers and functions, the Board shall also observe laws and regulations and the listing rules of the stock exchange(s) applicable to domestic and overseas listed companies.</p>

Existing articles	To be amended as
<p>Article 6 Pursuant to Articles of Association, the chairman of the Board shall exercise the following functions and powers:</p> <p>(I) to preside over general meetings and to convene and preside over Board meetings;</p> <p>(II) to examine and supervise the implementation of the resolutions of the Board;</p> <p>(III) to nominate Board secretary;</p> <p>(IV) to organize formulation of regulations on the operation of the Board, and to coordinate the operation of the Board;</p> <p>(V) to hear the regular or irregular work reports of the senior executives of the Company, and give opinions guiding execution of the resolutions of the Board;</p> <p>(VI) to exercise other functions and powers specified in relevant laws, administrative rules, regulations of relevant authorities or Articles of Association or granted by the general meetings.</p>	<p>Article 6 Pursuant to Articles of Association, the chairman of the Board shall exercise the following functions and powers:</p> <p>(I) to preside over general meetings and to convene and preside over Board meetings;</p> <p>(II) to examine and supervise the implementation of the resolutions of the Board;</p> <p>(III) to nominate Board secretary;</p> <p>(IV) to organize formulation of regulations on the operation of the Board, and to coordinate the operation of the Board;</p> <p>(V) to hear the regular or irregular work reports of the senior executives of the Company, and give opinions guiding execution of the resolutions of the Board;</p> <p>(VI) to listen to the work report on the rule of law construction of the Company;</p> <p>(VII) to exercise other functions and powers specified in relevant laws, administrative rules, regulations of relevant authorities or Articles of Association or granted by the general meetings.</p>
<p>Article 12 The board shall have a board office for handling the daily affairs of the board. The secretary of the Board or securities affair representative shall serve concurrently as the officer in charge of the Board office and keep the seals of the Board and the Board office.</p>	<p>Article 12 The board shall have a board office for handling the daily affairs of the board.</p>
<p>Article 14 Members of the special committees shall be directors as nominated by the chairman and approved by the Board, and shall be accountable to the Board. Conveners of the special committees shall be nominated by the chairman and approved by the Board.</p>	<p>Article 14 Members of the special committees shall be directors as nominated by the chairman, or more than half of the independent non-executive directors, or one third of all of the directors, and shall be elected by and accountable to the Board. The chairman of the special committees shall be elected by the special committees and reported to the Board for approval.</p>

Existing articles	To be amended as
<p>Article 17 Board meetings include regular meetings and provisional meetings. The Board shall hold at least four regular meetings every year, usually once every quarter. Before serving the notice of regular meeting of the Board, the office of the Board shall adequately consult with the directors, and shall accordingly formulate a preliminary proposal for meeting and submit the same to the chairman of the Board for consideration. Before deciding a proposal, the chairman may, where necessary, seek opinions of the general manager and other senior executives.</p>	<p>Article 17 Board meetings include regular meetings and provisional meetings. The Board shall hold at least four regular meetings every year, usually once every quarter. Every regular meeting of the Board will have a majority of directors who are entitled to attend the meeting to attend by person, or participate actively through electronic communication methods. Therefore, regular meetings of the Board shall not include the obtaining of approval from the Board by means of circulation of written resolutions. Before serving the notice of regular meeting of the Board, the office of the Board shall adequately consult with the directors, and shall accordingly formulate a preliminary proposal for meeting and submit the same to the chairman of the Board for consideration. Before deciding a proposal, the chairman may, where necessary, seek opinions of the general manager and other senior executives.</p>
<p>Article 35 Where more than half of the attending directors or more than two independent directors think they cannot make judgments on relevant issues because the relevant proposal is not clear or specific or the meeting documents are inadequate, the presider shall require the meeting to suspend voting on the said proposal. The director proposing suspension of voting shall provide definite requirements for the conditions to be met for resubmitting the said proposal for deliberation.</p>	<p>Article 35 Where more than half of the attending directors or more than two independent directors think they cannot make judgments on relevant issues because the relevant proposal is not clear or specific or the meeting documents are inadequate, the presider shall require the meeting to suspend voting on the said proposal, and the Board shall duly accept and the Company shall disclose the relevant information in a timely manner. The director proposing suspension of voting shall provide definite requirements for the conditions to be met for resubmitting the said proposal for deliberation.</p>

Existing articles	To be amended as
<p>Article 45 The Board secretary shall arrange Board office staff to record the minutes of the Board meeting. Minutes shall be signed by all attending directors, Board secretary and the person taking the minutes. The minutes shall include the following information:</p> <ul style="list-style-type: none">(I) the serial number, time, venue and form of the meeting;(II) sending of the notice of meeting;(III) convener and presider of the meeting;(IV) the agenda of the meeting;(V) the names of the attending directors and the directors (proxies) attending the meeting on behalf of others;(VI) the proposals considered at the meeting, chief comments and opinions of directors on relevant issues;(VII) the voting method and result for each resolution (the voting result shall set out the numbers of pros, cons and abstentions and names of voters);(VIII) other issues that the attending directors think should be recorded.	<p>Article 45 The Board secretary shall arrange Board office staff to record the minutes of the Board meeting. Minutes shall be signed by all attending directors, Board secretary and the person taking the minutes. The minutes shall include the following information:</p> <ul style="list-style-type: none">(I) the serial number, time, venue and form of the meeting;(II) sending of the notice of meeting;(III) convener and presider of the meeting;(IV) the agenda of the meeting;(V) the names of the attending directors and the directors (proxies) attending the meeting on behalf of others;(VI) the proposals considered at the meeting, chief comments and opinions of directors on relevant issues, any doubts or objections raised by the directors;(VII) the voting method and result for each resolution (the voting result shall set out the numbers of pros, cons and abstentions and names of voters);(VIII) other issues that the attending directors think should be recorded.
<p>Article 46 Where a Board meeting is held onsite, the Board secretary shall organize Board office staff to serve the meeting minutes to the attending directors within three days after conclusion of the meeting. Where a Board meeting is held offsite, the Board secretary shall organize Board office staff to finish sorting out the meeting minutes and forming resolutions within three days after conclusion of the meeting and send the minutes and resolutions to the attending directors. The directors shall sign the minutes and resolutions after receipt of the same and shall within three days send the same to the Board secretary.</p>	<p>Article 46 Where a Board meeting is held onsite, the Board secretary shall organize Board office staff to serve the meeting minutes to the attending directors within three days after conclusion of the meeting. Where a Board meeting is held offsite, the Board secretary shall organize Board office staff to finish sorting out the meeting minutes and forming resolutions within three days after conclusion of the meeting and send the minutes and resolutions to all the directors. The attending directors shall sign the minutes and resolutions after receipt of the same and shall within three days send the same to the Board secretary.</p>

Existing articles	To be amended as
<p>Article 47 The attending directors shall sign the minutes, resolutions and summary of the meeting in person or on behalf of the directors appointing them to attend the meeting. Where the directors disagree over the minutes, resolutions and summary of the meeting, they may attach written remarks when signing the same.</p>	<p>Article 47 The attending directors shall sign the minutes, resolutions and summary of the meeting in person or on behalf of the directors appointing them to attend the meeting. Where the directors disagree over the minutes, resolutions and summary of the meeting, they may attach written remarks when signing the same. The Company shall send the final draft of the minutes, resolutions and summary of the meeting to all members of the Board for record purpose.</p>
<p>Article 54 Matters not covered herein or conflicts between these Rules and laws and regulations, listing rules of the stock exchange with which the Company is listed or Articles of Association shall be governed by the applicable laws and regulations, listing rules and Articles of Association.</p>	<p>Article 54 Any matters not covered in these Rules shall be subject to relevant national laws and regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association. If these Rules are inconsistent with the laws and regulations promulgated by the State in the future, the listing rules of the place where the shares of the Company are listed or the Articles of Association after being revised by legal procedures, it shall be implemented in accordance with the provisions of relevant national laws and regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association, and shall be revised immediately and submitted to the Board for consideration and approval.</p>

APPENDIX IV**PROPOSED AMENDMENTS TO
THE RULES AND PROCEDURES OF
MEETINGS OF THE SUPERVISORY COMMITTEE**

The full text of the Proposed Amendments to the Rules and Procedures of Meetings of the Supervisory Committee is set out below.

Existing articles	To be amended as
<p>Article 12 The Supervisory Committee shall exercise the following functions and powers according to law:</p> <p>(I) to examine the regular reports of the Company prepared by the Board and produce written opinions thereon;</p> <p>(II) to review the financial affairs of the Company;</p> <p>(III) to supervise the work of the directors and senior executives, and propose dismissal of directors and senior executives who have violated laws, administrative rules, the Articles of Association or the resolutions of general meetings;</p> <p>(IV) if any act of the directors, general manager, and other senior executives damages the interests of the Company, to require them to rectify such act accordingly;</p> <p>(V) to present motions to general meetings;</p> <p>(VI) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings in accordance with Company Law, to convene and preside the general meetings;</p> <p>(VII) to propose to convene a provisional Board meeting;</p> <p>(VIII) to elect chairman of the Supervisory Committee;</p> <p>(IX) to initiate legal proceedings against the directors or senior management personnel in accordance with Company Law;</p> <p>(X) if there are any unusual circumstances in the Company's operations, to conduct investigation, and, if necessary, to engage an accounting firm, law firm or other professionals to assist in their work at the costs of the Company;</p> <p>(XI) to exercise other functions and powers stipulated by laws, regulations and the Articles of Association.</p>	<p>Article 12 The Supervisory Committee shall exercise the following functions and powers according to law:</p> <p>(I) to examine the regular reports of the Company prepared by the Board and produce written opinions thereon;</p> <p>(II) to review the financial affairs of the Company;</p> <p>(III) to supervise the work of the directors and senior executives, and propose dismissal of directors and senior executives who have violated laws, administrative rules, the Articles of Association or the resolutions of general meetings;</p> <p>(IV) if any act of the directors, general manager, and other senior executives damages the interests of the Company, to require them to rectify such act accordingly;</p> <p>(V) to present motions to general meetings;</p> <p>(VI) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings in accordance with Company Law, to convene and preside the general meetings;</p> <p>(VII) to propose to convene a provisional Board meeting;</p> <p>(VIII) to elect chairman of the Supervisory Committee;</p> <p>(IX) to initiate legal proceedings against the directors or senior management personnel in accordance with Company Law;</p> <p>(X) if there are any unusual circumstances in the Company's operations, to conduct investigation, and, if necessary, to engage an accounting firm, law firm or other professionals to assist in their work at the costs of the Company;</p> <p>(XI) to exercise other functions and powers stipulated by laws, regulations and the Articles of Association.</p>

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 an extraordinary general meeting (the “**EGM**”) of COSCO SHIPPING Energy Transportation Co., Ltd. (the “**Company**”) will be held at 10:00 a.m. on Tuesday, 17 December 2019 (or at any adjournment thereof) at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the People's Republic of China to consider and, if thought fit, pass the following resolutions. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the announcements of the Company dated 30 October 2019 in relation to, among other things, the Proposed Amendments and the Proposed Non-public Issuance of A Shares (the “**Extension Announcement**”).

SPECIAL RESOLUTIONS

1. To consider and approve the resolution in relation to the proposed amendments to the articles of association of the Company (the “**Proposed Amendments to the Articles of Association**”):

“THAT

- (a) the Proposed Amendments to the Articles of Association be and are hereby approved and confirmed; and
 - (b) any one director of the Company be and is hereby authorised to do all such acts and things (including filing the amended articles of association of the Company with the relevant authorities for approval, endorsement and/or registration as appropriate) and execute and deliver all such documents, deeds or instruments (including affixing the common seal of the Company thereon) and take all such steps as the director in his or her sole opinion and absolute discretion may consider necessary, appropriate or desirable to implement or give effect to the Proposed Amendments to the Articles of Association.”
2. To consider and approve the resolution in relation to the proposed amendments to the rules and procedures of shareholders' general meetings of the Company (the “**Proposed Amendments to the Rules and Procedures of Shareholders' General Meetings**”):

* For identification purposes only

NOTICE OF EXTRAORDINARY GENERAL MEETING

“THAT

- (a) the Proposed Amendments to the Rules and Procedures of Shareholders’ General Meetings be and are hereby approved and confirmed; and
 - (b) any one director of the Company be and is hereby authorised to do all such acts and things (including filing the amended rules and procedures of shareholders’ general meetings of the Company with the relevant authorities for approval, endorsement and/or registration as appropriate) and execute and deliver all such documents, deeds or instruments (including affixing the common seal of the Company thereon) and take all such steps as the director in his or her sole opinion and absolute discretion may consider necessary, appropriate or desirable to implement or give effect to the Proposed Amendments to the Rules and Procedures of Shareholders’ General Meetings.”
3. To consider and approve the resolution in relation to the proposed amendments to the rules and procedures of meetings of the board of directors of the Company (the **“Proposed Amendments to the Rules and Procedures of Meetings of the Board of Directors”**):

“THAT

- (a) the Proposed Amendments to the Rules and Procedures of Meetings of the Board of Directors be and are hereby approved and confirmed; and
 - (b) any one director of the Company be and is hereby authorised to do all such acts and things (including filing the amended rules and procedures of meetings of the board of directors of the Company with the relevant authorities for approval, endorsement and/or registration as appropriate) and execute and deliver all such documents, deeds or instruments (including affixing the common seal of the Company thereon) and take all such steps as the director in his or her sole opinion and absolute discretion may consider necessary, appropriate or desirable to implement or give effect to the Proposed Amendments to the Rules and Procedures of Meetings of the Board of Directors.”
4. To consider and approve the resolution in relation to the proposed amendments to the rules and procedures of meetings of the supervisory committee of the Company (the **“Proposed Amendments to the Rules and Procedures of Meetings of the Supervisory Committee”**):

“THAT

- (a) the Proposed Amendments to the Rules and Procedures of Meetings of the Supervisory Committee be and are hereby approved and confirmed; and
- (b) any one director of the Company be and is hereby authorised to do all such acts and things (including filing the amended rules and procedures of meetings of the supervisory committee of the Company with the relevant authorities for approval, endorsement and/or registration as appropriate) and execute and deliver all such documents, deeds or

NOTICE OF EXTRAORDINARY GENERAL MEETING

instruments (including affixing the common seal of the Company thereon) and take all such steps as the director in his or her sole opinion and absolute discretion may consider necessary, appropriate or desirable to implement or give effect to the Proposed Amendments to the Rules and Procedures of Meetings of the Supervisory Committee.”

5. To consider and approve the extension of the validity period of the shareholders’ resolutions relating to the Proposed Non-public Issuance of A Shares.
6. To consider and approve the extension of the validity period of the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares.

By order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
Yao Qiaohong
Company Secretary

1 November 2019
Shanghai, the People’s Republic of China

Notes:

- (A) The H share register of the Company will be closed from Saturday, 16 November 2019 to Tuesday, 17 December 2019 (both days inclusive), during which no transfer of H shares will be effected. Any holders of H shares of the Company, whose names appear on the Company’s register of members on Tuesday, 17 December 2019 are entitled to attend and vote at the EGM after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s H share registrar not later than 4:30 p.m. on Friday, 15 November 2019.
- (B) The address of the share registrar (for share transfer) for the Company’s H shares is as follows:

Hong Kong Registrars Limited
Shops 1712-1716
17th Floor
Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong
- (C) Holders of H shares, who intend to attend the EGM, must complete the reply slips for attending the EGM and return them to the Office of the Board of Directors of the Company not later than 20 days before the date of the EGM, i.e. no later than Wednesday, 27 November 2019.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Details of the Office of the Board of Directors of the Company are as follows:

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

- (D) Each holder of H shares who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether that proxy is a shareholder or not, to attend and vote on his behalf at the EGM.
- (E) The instrument appointing a proxy must be in writing under the hand of the appointor or his proxy duly authorised in writing or, if the principal is a legal person, under seal or under the hand of the director or proxy duly authorised. Where such instrument is signed by a person authorised by the appointor, the power of attorney authorising signature or other authorisation documents shall be notarised.
- (F) For holders of H shares, 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 the Company's H share registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, 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.
- (G) Each holder of A shares is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on its behalf at the EGM. Notes (D) to (E) also apply to holders of A shares, except that the proxy form or other documents of authority must be delivered to the Office of the Board of Directors, the address of which is set out in Note (C) above, 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.
- (H) If a proxy attends the EGM on behalf of a shareholder, he should produce his identity card and the instrument signed by the proxy or his legal representative, which specifies the date of its issuance. If the legal representative of a shareholder which shareholder is a legal person attends the EGM, such legal representative should produce his identity card and valid documents evidencing his capacity as such legal representative. If a shareholder which is a legal person appoints a company representative other than its legal representative to attend the EGM, such representative should produce his identity card and an authorisation instrument affixed with the seal of that shareholder (which is a legal person) and duly signed by its legal representative.
- (I) The EGM is expected to last for an hour. Shareholders attending the EGM are responsible for their own transportation and accommodation expenses.
- (J) As at the date of this notice, the board of directors of the Company comprises Mr. Liu Hanbo and Mr. Zhu Maijin as executive directors, Mr. Feng Boming, Mr. Zhang Wei and Ms. Lin Honghua as non-executive directors, Mr. Ruan Yongping, Mr. Ip Sing Chi, Mr. Rui Meng and Mr. Teo Siong Seng as independent non-executive directors.

NOTICE OF H SHARES CLASS MEETING



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 H SHARES CLASS MEETING

NOTICE IS HEREBY GIVEN that the class meeting for holders of H Shares (“**H Shares Class Meeting**”) of COSCO SHIPPING Energy Transportation Co., Ltd. (the “**Company**”) will be held at 10:00 a.m. on Tuesday, 17 December 2019 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the People’s Republic of China (to be convened in the order of the extraordinary general meeting, class meeting for holders of A shares and H Shares Class Meeting) to consider and, if thought fit, approve the following resolutions. Reference is made to the announcement of the Company dated 30 October 2019 (the “**Announcement**”) in respect of the extension of validity period of the shareholders’ resolutions relating to the Proposed Non-public Issuance of A shares and authorisation granted to the Board and any person authorized by the Board to handle all matters in connection with the Proposed Non-public Issuance of A shares of the Company, which contains details of the transactions referred to in the resolutions below. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the Announcement.

SPECIAL RESOLUTIONS

1. To consider and approve the extension of the validity period of the shareholders’ resolutions relating to the Proposed Non-public Issuance of A Shares.
2. To consider and approve the extension of the validity period of the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares.

By order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
Yao Qiaohong
Company Secretary

1 November 2019
Shanghai, the People’s Republic of China

* *For identification purposes only*

NOTICE OF H SHARES CLASS MEETING

Notes:

(A) The H share register of the Company will be closed from Saturday, 16 November 2019 to Tuesday, 17 December 2019 (both days inclusive), during which no transfer of H shares will be effected. Any holders of H shares of the Company, whose names appear on the Company's register of members on Tuesday, 17 December 2019 are entitled to attend and vote at the H Shares Class Meeting after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the H Shares Class Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar not later than 4:30 p.m. on Friday, 15 November 2019.

(B) The address of the share registrar (for share transfer) for the Company's H shares is as follows:

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

(C) Holders of H shares, who intend to attend the H Shares Class Meeting, must complete the reply slips for attending the H Shares Class Meeting and return them to the Office of the Board of Directors of the Company not later than 20 days before the date of the H Shares Class Meeting, i.e. no later than Wednesday, 27 November 2019.

Details of the Office of the Board of Directors of the Company are as follows:

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

(D) Each holder of H shares who has the right to attend and vote at the H Shares Class Meeting is entitled to appoint in writing one or more proxies, whether that proxy is a shareholder or not, to attend and vote on his behalf at the H Shares Class Meeting.

(E) The instrument appointing a proxy must be in writing under the hand of the appointor or his proxy duly authorised in writing or, if the principal is a legal person, under seal or under the hand of the director or proxy duly authorised. Where such instrument is signed by a person authorised by the appointor, the power of attorney authorising signature or other authorisation documents shall be notarised.

(F) For holders of H shares, 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 the Company's H share registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for holding the H Share Class Meeting (or any adjournment thereof) in order for such documents to be valid.

(G) If a proxy attends the H Shares Class Meeting on behalf of a shareholder, he should produce his identity card and the instrument signed by the proxy or his legal representative, which specifies the date of its issuance. If the legal representative of a shareholder which shareholder is a legal person attends the H Shares Class Meeting, such legal representative should produce his identity card and valid documents evidencing his capacity as such legal representative. If a shareholder which is a legal person appoints a company representative other than its legal

NOTICE OF H SHARES CLASS MEETING

representative to attend the H Shares Class Meeting, such representative should produce his identity card and an authorisation instrument affixed with the seal of that shareholder (which is a legal person) and duly signed by its legal representative.

- (H) The H Shares Class Meeting is expected to last for an hour. Shareholders attending the H Shares Class Meeting are responsible for their own transportation and accommodation expenses.
- (I) As at the date of this notice, the board of directors of the Company comprises Mr. Liu Hanbo and Mr. Zhu Maijin as executive directors, Mr. Feng Boming, Mr. Zhang Wei and Ms. Lin Honghua as non-executive directors, Mr. Ruan Yongping, Mr. Ip Sing Chi, Mr. Rui Meng and Mr. Teo Siong Seng as independent non-executive directors.