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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)

PROPOSED MERGER BY ABSORPTION OF SHANGHAI TANKER

PROPOSED MERGER BY ABSORPTION

The board of directors (the “**Board**”) of COSCO SHIPPING Energy Transportation Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) resolved to approve the proposed merger by absorption (the “**Proposed Merger by Absorption**”) by the Company of COSCO SHIPPING Tanker (Shanghai) Co., Ltd.* (上海中遠海運油品運輸有限公司) (“**Shanghai Tanker**”), a company established in the People’s Republic of China (the “**PRC**”) with limited liability and a direct wholly-owned subsidiary of the Company.

Upon completion of the Proposed Merger by Absorption, Shanghai Tanker will cease to exist as a legal entity and the assets, liabilities, contracts and other rights and obligations of which shall be succeeded by the Company. No consideration shall be payable in respect of the Proposed Merger by Absorption.

As Shanghai Tanker is a direct wholly-owned subsidiary of the Company and the results of which are consolidated into the financial statements of the Group, the Proposed Merger by Absorption will not result in any material impact on the operation and financial position of the Group.

INFORMATION ON SHANGHAI TANKER

Shanghai Tanker is a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Company. It is principally engaged in the transportation of crude oil and refined oil along the domestic coast and the middle to lower reaches of the Yangtze River, international shipping of dangerous goods and international vessel management.

As at December 31, 2019, the total assets and net assets of Shanghai Tanker amounted to RMB17,179,555,200 and RMB7,433,449,700, respectively. For the year ended 31 December 2019, the revenue and net profits of Shanghai Tanker were RMB4,159,453,800 and RMB573,250,200, respectively. The assets of Shanghai Tanker primarily comprised 49 oil tankers with an aggregate capacity of 4.73 million dead weight tonnes.

REASONS FOR AND BENEFITS OF THE PROPOSED MERGER BY ABSORPTION

The Proposed Merger by Absorption is part of the implementation of the proposal for the integration of the core businesses of the Group and is conducive to optimizing the management structure and enhancing the operation and management efficiency of the Group.

The Board considers that the Proposed Merger by Absorption and the transactions contemplated thereunder are fair and reasonable and the Proposed Merger by Absorption is in the interests of the Company and its shareholders (the “**Shareholders**”) as a whole.

GENERAL

Pursuant to the relevant requirements under relevant PRC laws and regulations and the articles of association of the Company, the Proposed Merger by Absorption is subject to the approval by the Shareholders at a general meeting of the Company. It is proposed that the Proposed Merger by Absorption will be submitted, by way of a special resolution, for the consideration and approval of the Shareholders at the forthcoming annual general meeting of the Company (the “**AGM**”) to be held at 2:00 p.m. on Monday, 22 June 2020 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the PRC.

A supplemental notice of the AGM in relation to, among other things, the Proposed Merger by Absorption will be despatched to the Shareholders in due course.

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

Shanghai, the PRC
1 June 2020

As at the date of this announcement, the Board 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.

* *For identification purposes only*