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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer and other registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in **COSCO SHIPPING Energy Transportation Co., Ltd.**, you should at once hand this circular, the enclosed form of proxy to the purchaser or the 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 ADOPTION OF SHAREHOLDERS' RETURN PLAN**  
**(2) PROPOSED DISTRIBUTION OF FINAL DIVIDEND**  
**(3) ELECTION OF DIRECTORS AND SUPERVISORS**  
**AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

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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 4 to 11 of this circular.

A notice convening the AGM to be held at 2:00 p.m. on Wednesday, 30 June 2021 at 3rd Floor, Ocean Hotel, No. 1171 Dongdaming Road, Hongkou District, Shanghai, the People's Republic of China is set out on pages AGM-1 to AGM-6 of this circular.

Whether or not you are able to attend the AGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event by not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (i) in case of H Shareholders, to the Hong Kong branch share registrar of the Company, Hong Kong Registrars Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, (ii) in case of A Shareholders, to the Office of the Board of Directors of the Company at 7th Floor, 670 Dongdaming Road, Hongkou District, Shanghai, the People's Republic of China. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any adjournment thereof should you so wish.

1 June 2021

\* For identification purposes only

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## DEFINITIONS

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“A Share(s)”	the domestic share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“A Shareholder(s)”	the holder(s) of A Share(s)
“AGM”	the annual general meeting of the Company to be held at 2:00 p.m. on Wednesday, 30 June 2021 at 3rd Floor, Ocean Hotel, No. 1171 Dongdaming Road, Hongkou District, Shanghai, the People’s Republic of China
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	COSCO SHIPPING Energy Transportation Co., Ltd.* (中遠海運能源運輸股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Company Law”	the Company Law of the PRC
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) of par value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	the holder(s) of H Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Latest Practicable Date”	28 May 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and the region of Taiwan
“Receiving Agent”	Bank of China (Hong Kong) Trustees Limited
“RMB”	Renminbi, the lawful currency of the PRC
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

\* *For identification purposes only*

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**EXPECTED TIMETABLE**

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Date of despatch of this circular . . . . . Tuesday, 1 June 2021

Latest time for lodging forms of proxy for the AGM . . . . . 2:00 p.m., Tuesday, 29 June 2021

Time and date of the AGM . . . . . 2:00 p.m., Wednesday, 30 June 2021

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Liu Hanbo (*Chairman*)  
Zhu Maijin

*Non-Executive Directors:*

Zhang Qinghai  
Liu Zhusheng

*Independent Non-Executive Directors:*

Rui Meng  
Teo Siong Seng  
Victor Huang  
Li Runsheng  
Zhao Jinsong

*Registered Office:*

Room A-1015  
No. 188 Ye Sheng Road  
China (Shanghai) Free Trade Port Area  
PRC

*Principal place of business in the PRC:*

7th Floor, 670 Dongdaming Road  
Hongkou District, Shanghai, PRC

*Principal place of business in Hong Kong:*

RMS 3601-3602  
36/F West Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

1 June 2021

*To the Shareholders*

Dear Sir/Madam,

**(1) PROPOSED ADOPTION OF SHAREHOLDERS' RETURN PLAN**  
**(2) PROPOSED DISTRIBUTION OF FINAL DIVIDEND**  
**(3) ELECTION OF DIRECTORS AND SUPERVISORS**  
**AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

**I. INTRODUCTION**

The purpose of this circular is to provide you with, among other things, information of the resolutions to be proposed at the AGM in respect of (i) the proposed adoption of shareholders' return plan; (ii) the

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## LETTER FROM THE BOARD

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proposed distribution of final dividend; and (iii) the re-election and election of members of the tenth term of the Board and the Supervisory Committee (other than employee representative Supervisors), and to give notice to the Shareholders on the AGM.

### II. PROPOSED ADOPTION OF SHAREHOLDERS' RETURN PLAN

To perfect and improve the sustainable, stable and scientific decision-making and supervision system of dividend distribution of the Company, increase the transparency and practicality of the decision-making of profit distribution of the Company, generate positive returns on investment for investors and steer investors towards long-term and reasonable investment, the Shareholders' Return Plan (2020-2022) of the Company is formulated by the Board in accordance with the requirements of the Company Law, Notice Regarding Further Implementation of Cash Dividend Distribution of Listing Companies issued by the CSRC, Listing Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies and other laws and regulations and the Articles of Association and based on the actual situation of the Company. Details of the shareholders' return plan is set out in Appendix I to this circular.

### III. PROPOSED DISTRIBUTION OF FINAL DIVIDEND

As disclosed in the announcement of the Company dated 30 March 2021 in relation to the annual results of the Group for the year ended 31 December 2020, the Directors proposed the distribution of a final dividend of RMB952,538,000 representing RMB20 cents per share (before tax), in respect of the year ended 31 December 2020.

The proposed distribution of final dividend is subject to the approval by the Shareholders by way of an ordinary resolution at the AGM.

The final dividend will be distributed and paid to A Shareholders and domestic investors investing in H Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect in RMB and to H Shareholders in HK\$. The actual amount of final dividend to be distributed and paid to H Shareholders in HK\$ will be calculated in accordance with the benchmark exchange rate for RMB to HK\$ as quoted by the People's Bank of China on the date of the AGM (subject to the approval by the Shareholders). The final dividend in respect of the H Shares will be distributed and paid on or before Friday, 27 August 2021.

The Company will pay the Receiving Agent the final dividend declared for payment to H Shareholders. Such final dividend will be paid by the Receiving Agent and will be mailed by Hong Kong Registrars Limited to the H Shareholders who are entitled to receive the same by ordinary post at their own risk on or before Friday, 27 August 2021.

#### **Enterprise Income Tax**

According to the Law on Corporate Income Tax of the People's Republic of China and the relevant implementation rules which came into effect on 1 January 2008, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividend for the year ended 31 December 2020 to non-resident enterprise shareholders as appearing on the register of H Shares members of the Company. Any Shares not registered in the name of an individual person, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will

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## LETTER FROM THE BOARD

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be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the corporate income tax. After receiving dividends, non-resident enterprise shareholders may apply, personally or by proxy, to the competent taxation authorities and provide materials proving their eligibility to be the actual beneficiaries under the taxation agreements (arrangement) for tax refund.

### **Individual Income Tax**

Pursuant to the requirements of the Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (Cai Shui Zi [1994] No. 020)\* (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)), individual foreigners are exempted from individual income tax on dividends and bonus received from foreign-invested enterprises in the PRC. As the Company is a foreign-invested joint stock limited company, individual H Shareholders whose names appeared in the register of H Shares members are not required to pay the individual income tax of the PRC.

### **Profit Distribution for Investors Investing in H Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect**

#### *Shanghai-Hong Kong Stock Connect*

For domestic investors (including enterprises and individuals) investing in the H Shares listed on the Hong Kong Stock Exchange through the Shanghai Stock Exchange, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the H Shareholders through Shanghai-Hong Kong Stock Connect, will receive the final dividends paid by the Company and further distribute the final dividends to the relevant investors of H Shares through Shanghai-Hong Kong Stock Connect through its depository and clearing system.

The final dividends will be paid to the investors investing in H Shares through Shanghai-Hong Kong Stock Connect in RMB. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81)\* (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC:

- (i) for dividends and bonus received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the relevant H share listed company shall withhold and pay individual income tax payable by such mainland individual investors at the rate of 20% on their behalf;
- (ii) for dividends and bonus received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, individual income tax payable by such mainland securities investment funds shall be withheld and paid by the relevant H share listed company in the same manner as stated in paragraph (i) above; and



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## LETTER FROM THE BOARD

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- (iii) for dividends and bonus received by mainland enterprise investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the relevant H share listed company shall not withhold or pay the income tax of dividends and bonus for mainland enterprise investors and those enterprise investors shall report and pay the income tax themselves.

### *Shenzhen-Hong Kong Stock Connect*

For domestic investors (including enterprises and individuals) investing in H Shares listed on the Hong Kong Stock Exchange through the Shenzhen Stock Exchange, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the H Shareholders through Shenzhen-Hong Kong Stock Connect, will receive the final dividends paid by the Company and further distribute the final dividends to the relevant investors of H Shares through Shenzhen-Hong Kong Stock Connect through its depository and clearing system.

The final dividends will be paid to investors investing in H Shares through Shenzhen-Hong Kong Stock Connect in RMB. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No.127)\* (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)):

- (i) for dividends and bonus received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the relevant H share listed company shall withhold and pay individual income tax payable by such mainland individual investors at the rate of 20% on their behalf;
- (ii) for dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, individual income tax payable by such mainland securities investment funds shall be withheld and paid by the relevant H share listed company in the same manner as stated in paragraph (i) above; and
- (iii) for dividends received by mainland enterprise investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the relevant H share listed company shall not withhold or pay the income tax of dividends and bonus for mainland enterprise investors and those enterprise investors shall report and pay the income tax themselves.

The record date, the date of distribution and other arrangements in relation to the payment of the final dividend to domestic investors investing in the H Shares through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect will be the same as those for the H Shareholders.

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## LETTER FROM THE BOARD

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### **Profit Distribution to Investors of Northbound Trading**

For investors (including enterprises and individuals) of the Hong Kong Stock Exchange investing in A Shares listed on the Shanghai Stock Exchange (the “**Northbound Trading**”), the record date, the date of distribution and other arrangements in relation to the payment of the final dividend to the investors of Northbound Trading will be the same as those for the A Shareholders. For details, please refer to the announcement of the Company to be released in the A Share market in due course.

### **To qualify for the proposed final dividend**

To ascertain the entitlement of Shareholders to the proposed final dividend, the register of H Shares members of the Company will be closed from Tuesday, 20 July 2021 to Friday, 23 July 2021 (both days inclusive), during which no transfer of H Shares will be registered. Shareholders whose names appear on the register of H Shares members of the Company at the close of business on Friday, 23 July 2021 will be qualified for the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents together with the relevant share certificates must be lodged with Hong Kong Registrars Limited, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 19 July 2021.

## **IV. ELECTION OF THE MEMBERS OF THE BOARD**

In accordance with the Articles of Association, the tenure of the office of the ninth term of the Board will expire on 27 June 2021. As prescribed by the Articles of Association, the appointment of Directors is subject to Shareholders’ approval by way of ordinary resolutions at the AGM. The term of the appointments shall be three years commencing from the date of the approval of the appointments at the AGM (other than Mr. Teo Siong Seng, whose term of appointment shall expire on 28 December 2021). The Directors who will be offering themselves for re-election for the tenth term of Board at the AGM are as follows:

Mr. Liu Hanbo	Executive Director
Mr. Zhu Maijin	Executive Director
Mr. Zhang Qinghai	Non-Executive Director
Mr. Liu Zhusheng	Non-Executive Director
Mr. Teo Siong Seng	Independent Non-Executive Director
Mr. Victor Huang	Independent Non-Executive Director
Mr. Li Runsheng	Independent Non-Executive Director
Mr. Zhao Jinsong	Independent Non-Executive Director

The Board proposes to elect Mr. Wang Zuwen as an independent non-executive Director subject to Shareholders’ approval at the AGM. Mr. Wang Zuwen’s appointment will take effect immediately after obtaining the Shareholders’ approval at the AGM.

Details of each of the above candidate Directors are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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The Board adopted the board diversity policy, which aims to set out the approach to achieve diversity on the Board. All Board appointments shall be based on meritocracy, and candidates shall be considered against objective criteria, having due regard to the benefits of diversity on the Board. In identifying suitable candidates for independent non-executive Director, the Nomination Committee shall consider candidates on merit against objective criteria and with due regard to the benefits of the diversity of the Board. Selection of candidates and the assessment of his/her suitability shall be based on a number of factors, including but not limited to the following: (i) reputation for integrity; (ii) experience in shipping industry and/or business strategy, management, legal and financial aspects; (iii) whether be able to assist the Board in effective performance of its responsibilities; (iv) perspectives, skills and experience that the individual can contribute to the Board; (v) diversity in a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; (vi) Board succession planning considerations and long-term objectives of the Group; and (vii) the independence of such candidate with reference to, among other things, the requirements as set out in Rule 3.13 of the Hong Kong Listing Rules. The ultimate decision shall be based on merit and contribution that the selected candidates shall bring to the Board.

The Nomination Committee had assessed and reviewed the written confirmation of independence of each of Mr. Teo Siong Seng, Mr. Victor Huang, Mr. Li Runsheng, Mr. Zhao Jinsong and Mr. Wang Zuwen based on the independence criteria as set out in Rule 3.13 of the Hong Kong Listing Rules and is satisfied that each of them is independent in accordance with Rule 3.13 of the Hong Kong Listing Rules.

The Nomination Committee also considers that each of Mr. Teo Siong Seng, Mr. Victor Huang, Mr. Li Runsheng, Mr. Zhao Jinsong and Mr. Wang Zuwen can contribute to the diversity of the Board, in particular, with their diversified education background, professional experience in different industries and sectors including accounting and audit, oil and gas, maritime law and marine insurance as well as experience in holding directorship in various other listed companies in Hong Kong, Shanghai and Singapore.

The Board noted that as at the Latest Practicable Date, Mr. Victor Huang was a director of a total of seven listed companies (excluding the proposed re-election as an independent non-executive Director by the Company). However, the Board is of the view that Mr. Victor Huang will be able to devote sufficient time to the Board as he has ample knowledge and experience of serving as an independent non-executive director in listed companies and all his roles held with the other seven listed companies are non-executive in nature and do not require his participation in the day-to-day operation and management of those other listed companies.

### **V. ELECTION OF THE MEMBERS OF THE SUPERVISORY COMMITTEE**

According to the Articles of Association, the tenure of the office of the ninth term of the Supervisory Committee is three years and will expire on 27 June 2021. As prescribed by the Articles of Association, the appointment of the Supervisors (other than employee representative Supervisors) is subject to Shareholders' approval by way of ordinary resolutions at the AGM and their appointments shall commence on the date of the AGM after the Shareholders' approval. The term of the appointments shall be three years commencing from the date of the approval of the appointments at the AGM. The Supervisors (other than employee representative Supervisors) who will be offering themselves for re-election of the tenth term of the Supervisory Committee at the AGM is as follows:

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## LETTER FROM THE BOARD

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Mr. Weng Yi	Supervisor
Mr. Yang Lei	Supervisor

Details of each of the above candidate Supervisors are set out in Appendix II to this circular.

### VI. CLOSURE OF REGISTER OF MEMBERS

For the purpose of holding the AGM, the register of H Shares members of the Company will be closed from Wednesday, 23 June 2021, to Wednesday, 30 June 2021 (both days inclusive), during which no transfer of H Shares will be registered. Shareholders whose names appear on the register of H Shares members of the Company at the close of business on Wednesday, 30 June 2021 are entitled to attend and vote at the AGM. In order to attend and vote at the AGM, all transfer documents together with the relevant share certificates must be lodged with Hong Kong Registrars Limited, the H Share registrar of the Company not later than 4:30 p.m. on Tuesday, 22 June 2021.

To ascertain the entitlement of Shareholders to the proposed final dividend, the register of H Shares members of the Company will be closed from Tuesday, 20 July 2021 to Friday, 23 July 2021 (both days inclusive), during which no transfer of H Shares will be registered. Shareholders whose names appear on the register of H Shares members of the Company at the close of business on Friday, 23 July 2021 will be qualified for the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents together with the relevant share certificates must be lodged with Hong Kong Registrars Limited, the H Share registrar of the Company not later than 4:30 p.m. on Monday, 19 July 2021. The proposed final dividend (the payment of which is subject to approval by the Shareholders at the AGM) is to be payable on or before Friday, 27 August 2021 to Shareholders whose names appear on the register of H Shares members of the Company at the close of business on Friday, 23 July 2021.

The address of Hong Kong Registrars Limited, the share registrar (for share transfer) for the H Shares is as follows:

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

### VII. AGM

Resolutions for, among other things, the approval of (i) the proposed adoption of shareholders' return plan; (ii) the proposed distribution of final dividend; and (iii) the proposed re-election and election of members of the tenth term of the Board and the Supervisory Committee (other than employee representative Supervisors) will be put to the Shareholders for their consideration at the AGM.

The AGM will be held at 2:00 p.m. on Wednesday, 30 June 2021 at 3rd Floor, Ocean Hotel, No. 1171 Dongdaming Road, Hongkou District, Shanghai, the People's Republic of China. A notice of the AGM is set out on pages AGM-1 to AGM-6 of this circular.

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## LETTER FROM THE BOARD

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A form of proxy for use at the AGM is enclosed. Whether or not you intend to attend the AGM, you are requested to complete and return the enclosed form of proxy (for use at the AGM) in accordance with the instructions printed thereon to Hong Kong Registrars Limited, the H Share registrar of the Company at 17M/F, 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 Dongdamin Road, Hongkou District, Shanghai, the PRC (in case of A Shareholders) as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM (or any adjournment thereof). Completion and return of the said form of proxy will not preclude you from attending and voting in person at the AGM or at any adjournment thereof should you so wish.

### VIII. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the resolutions to approve, among other things, (i) the proposed adoption of shareholders' return plan; (ii) the proposed distribution of final dividend; and (iii) the proposed re-election and election of members of the tenth term of the Board and the Supervisory Committee (other than employee representative Supervisors) are in the interests of the Company and the Shareholders as a whole and accordingly, recommend the Shareholders to approve all resolutions to be proposed at the AGM.

By order of the Board  
**COSCO SHIPPING Energy Transportation Co., Ltd.**  
**Liu Hanbo**  
*Chairman*

\* *For identification purposes only*

**Shareholders' Return Plan for the Next Three Years (2020-2022)**

To perfect and improve the sustainable, stable and scientific decision-making and supervision system of dividend distribution of the Company, increase the transparency and practicality of the decision-making of profit distribution of the Company, generate positive returns on investment for investors and steer investors towards long-term and reasonable investment, the Shareholders' Return Plan (2020-2022) of COSCO SHIPPING Energy Transportation Co., Ltd. is formulated by the Board of the Company in accordance with the requirements of the Company Law, Notice Regarding Further Implementation of Cash Dividend Distribution of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) issued by the CSRC, Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (《上通公司監管指引第3號-上市公司現金分紅》) and other laws and regulations and the Articles of Association and based on the actual situation of the Company. Particulars are as follows:

**(I) MAJOR FACTORS CONSIDERED IN FORMULATING THE PLAN**

With the focus placed on the long-term and sustainable development and on the basis of comprehensive analysis on actual circumstance of its business development, the shareholders' requirements and wishes, social capital costs and external financing environment, the Company has formulated its Shareholders' Return Plan and established the sustainable, stable and scientific dividend return plan and mechanism for investors after taking full account of the Company's strategic development plan and development stage, current and future profitability and size, cash flow, working capital requirement, bank credit and debt financing environment, so as to ensure the continuity and stability of profit distribution policy.

**(II) BASIC PRINCIPLES FOR FORMULATION OF THE PLAN**

1. The Company shall place an emphasis in creating reasonable return to its investors, and implement a continuous and stable profit distribution policy; the Company's profit distribution shall neither exceed the amount of accumulated distributable profit nor the ongoing operation of the Company;
2. The opinions of shareholders (particularly the minority shareholders), independent directors and supervisors shall be fully considered and listened for formulating the Shareholders' Return Plan of the Company;
3. Subject to compliance with relevant conditions, the Company shall give priority to dividend distribution in cash in the next three years.

**(III) SPECIFIC PLAN ON SHAREHOLDERS' RETURN OF THE COMPANY FOR 2020-2022****1. Profit distribution policy of the Company for the next three years****(1) Form of profit distribution**

The Company may distribute dividends in the form of cash, shares, a combination of both cash and shares or otherwise as permitted by laws and regulations. The Company shall give priority to dividend distribution in cash over in shares.

**(2) Specific conditions, proportions and time intervals of cash dividend.**

Except for the special circumstances that the Company plans to make material investment or significant cash expenditure within the next twelve months, the Company shall distribute its dividends in the form of cash if the Company makes profits for the current year and the accumulated undistributed profits are positive. The Company's accumulated profits distributed in form of cash for the last three years are no less than 30% of the annual average net profit attributable to shareholders of the Listed Company for the last three years. Subject to compliance with the conditions for cash dividend distribution, the Company shall in principle distribute dividends in cash each year. When proposed by the Board and approved by the General Meeting, an interim dividend distribution may also be made in the form of cash.

The Board shall take various factors into consideration, including the Company's industry features, development stages, business model and profitability as well as whether the Company has any substantial capital expenditure arrangements in differentiating the following circumstances and propose a differentiated policy for cash dividend distribution pursuant to the procedures stipulated in the Articles of Association:

- ① Where the Company is in a developed stage with no substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the profit distribution;
- ② Where the Company is in a developed stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the profit distribution;
- ③ Where the Company is in a developing stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the profit distribution.

In the case that it is difficult to distinguish the Company's stage of development but the Company has significant capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions.

(3) *Specific conditions for distributing dividends in shares.*

The Company may distribute dividends in the form of shares based on the annual profits and cash flow and subject to the reasonableness of the cash dividend for the current year and the Company's share capital scale.

**2. Decision-making procedures and mechanism of profit distribution**

The profit distribution plan of the Company shall be formulated by the Board pursuant to the provisions of the laws, regulations and the relevant regulatory documents and the Articles of Association, by combining with the Company's profits, capital needs and shareholders' return plan. Independent directors shall express clear opinions on it. Upon considered and approved by the Board, such plan shall be submitted to the General Meeting for consideration and approval. When making decisions on and formulating its profit distribution plan, the Board shall record in detail the advice of the management, key points of the speeches of the directors present at the meeting, opinions of independent directors, voting results of the Board, etc. and form written minutes to be properly kept as the Company's records. When the specific plan on profit distribution is considered at the General Meeting, the Company shall take the initiative to communicate and exchange ideas through multiple channels with shareholders (minority shareholders in particular), effectively protect the rights of the public shareholders to attend the General Meeting, sufficiently listen to the opinions and demands of the minority shareholders, and give timely replies to issues that the minority shareholders concern about. If the Company makes a profit for the year, but the Board does not propose a profit distribution plan in cash, the Company shall explain the reasons and independent directors shall express independent views on the profit distribution plan and timely disclose them. Upon considered and approved by the Board, such plan shall be submitted to the General Meeting for consideration by way of on-site voting and online voting and the Board shall provide explanation on it at the General Meeting.

**3. Conditions, decision-making procedures and mechanism regarding the adjustment made to the profit distribution policy**

Should the Company need to adjust the profit distribution policy due to the material changes in the external operating environment or its operating status, the Company shall be focus on protection of the interests of the shareholders, and elaborate and explain the reasons in details. The adjusted profit distribution policy shall not be in violation of the relevant provisions of the CSRC, stock exchanges and the Articles of Association. The proposal regarding the adjustment made to the profit distribution policy shall be formulated by the Board. Independent directors shall express their independent opinions regarding the adjustment made to the profit distribution policy. Upon considered and approved by the Board, such proposal shall be submitted to the General Meeting for consideration and approval. The supervisory committee of the Company shall consider such proposal of the adjusted profit distribution policy formulated by the Board and sufficiently listen to the opinions of such external supervisors who do not hold any positions in the Company. Such proposal shall be passed and approved by voting by more than half of all the supervisors of the supervisory committee. When the proposal of the adjusted profit distribution policy is considered at the General Meeting, the Company shall sufficiently listen to the opinions of the public shareholders. In addition



to setting up on-site voting at the meeting, online voting system shall be provided to shareholders. The passing and approval of such proposal shall require more than two-thirds of the effective votes made by the shareholders attending the General Meeting.

#### **4. Implementation of the profit distribution policy**

The Board must complete the distribution of dividends (in cash or in the form of shares) within two months after the resolution approving the relevant profit distribution plan has been passed at the General Meeting. The Company shall disclose the formulation and implementation of the cash dividend policy in details in the periodic report. If the Company records a profit for the year, but the Board does not make a cash dividend proposal, the Board shall in detail explain in the annual report for such year the reasons for not distributing cash dividends, the purpose and use plan of the retained fund not being used for cash dividends distribution. Should there be any misappropriation of the Company's funds by the shareholders, the Company shall deduct the cash dividend distributed to such shareholder for making up such fund being misappropriated.

### **(IV) DECISION-MAKING MECHANISM OF THE PLAN**

Based on the Company's profitability, business development plan, shareholders' return, social funding cost and external financing environment, the Board proposes the shareholders' return plan of the Company at the General Meeting pursuant to the provisions of Articles of Association. When the proposal for the shareholders' return plan is considered at the General Meeting, the Company shall take the initiative to communicate and exchange ideas through multiple channels with shareholders (minority shareholders in particular), sufficiently listen to the opinions and demands of the minority shareholders. Such proposal shall be passed by more than two-thirds of the effective votes holding by the shareholders (including authorized proxies) attending the General Meeting.

### **(V) ADJUSTMENT CYCLE AND DECISION-MAKING MECHANISM OF THE PLAN**

#### **1. Adjustment to the plan**

Should the Company need to formulate and adjust the profit distribution policy due to the material changes in the external operating environment or its own production and operation conditions, investment plans and long-term development, The formulated or adjusted profit distribution policy shall not be in violation of the relevant provisions of the China Securities Regulatory Commission and the Shanghai Stock Exchange. Regarding the formulation and adjustment of profit distribution policies, the Company shall be focus on protection of the interests of the shareholders. The proposal regarding the formulation and adjustment made to the profit distribution policy shall be elaborated in details, and Independent directors shall express their independent opinions regarding the formulation and adjustment made to the profit distribution policy. Upon considered and approved by the Board, such proposal shall be submitted to the General Meeting for consideration and approval. The passing and approval of such proposal shall require more than two-thirds of the effective votes made by the shareholders attending the General Meeting. The Company should listen to the opinions of Independent directors and minority shareholders when adjusting the established profit distribution policy, especially the cash dividend policy.

In principle, the Company's board of directors should review this plan every three years. If the Company does not need to adjust the shareholders' return plan, the Company can refer to the latest edition of shareholders' return plan formulated or revised for implementation, without separately formulating or revising the return plan.

**2. Decision-making mechanism regarding the adjustment to the plan**

The adjustment made by the Company to the shareholders' return plan shall be submitted by the Board to the General Meeting, and shall go through relevant procedures as required by the provisions of article IV of the plan.

**(VI) SUPPLEMENTARY ARTICLE**

This plan is interpreted by the Company's board of directors and will be implemented from the date of approval by the company's shareholders meeting. Matters not covered in this plan shall be implemented in accordance with relevant laws and regulations, regulatory documents and the Articles of Association of the Company.

Board of Directors of COSCO SHIPPING Energy Transportation Co., Ltd.  
30 March 2021

**A. DIRECTORS**

The following are the biographical details of the Directors proposed to be elected or re-elected at the AGM.

**Executive Directors****(1) Mr. Liu Hanbo**

Mr. Liu Hanbo (“**Mr. Liu**”), born in November 1959, holds a master’s degree in engineering and is a senior economist. He is currently the party secretary, an executive director, the chairman, the chairman of the Strategy Committee and a member of the Risk Control Committee of the Company, and a director of COSCO Shipping Captive Insurance Co., Ltd. Mr. Liu served as the deputy general manager of COSCO Dalian Industries Company, the deputy director of the Development Department and the head of Operation and Management Department of Dalian Ocean Shipping Company, the manager of COSCO Dalian Industries Development Company, the deputy general manager and the general manager of the Development Department and the director of Assets Operation Center of China Ocean Shipping (Group) Company, the vice president of COSCO (Hong Kong) Group Limited, the general manager of COSCO (H.K.) Industries and Trade Holdings Ltd., the general manager of COSCO International Holdings Ltd., the deputy general manager of Dalian Ocean Shipping Company, the president of China Ocean Shipping Company Americas, Inc., the general manager of China COSCO Bulk Shipping (Group) Co., Ltd., and the general manager of COSCO SHIPPING Bulk Co., Ltd. Mr. Liu joined the Company in August 2016.

In accordance with the Articles of Association, subject to the Shareholders’ approval at the AGM, Mr. Liu’s appointment will be for 3 years with effect from 30 June 2021 and Mr. Liu will enter into a service contract with the Company for a term of 3 years. As at the Latest Practicable Date, Mr. Liu was interested in 475,000 underlying shares of the Company attached to the share options granted to him by the Company pursuant to the A share option incentive scheme of the Company. Save as disclosed above, as at the Latest Practicable Date, Mr. Liu (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group. During the proposed term of appointment, Mr. Liu will not be entitled to any remuneration nor bonus payments as a Director. Mr. Liu is entitled to compensation (inclusive of salaries, allowances and benefits in kind and a discretionary bonus) for serving as the party secretary of the Company and for the year ended 31 December 2020, the total emoluments of Mr. Liu was RMB3,292,000. Save as disclosed herein, there is no other information relating to Mr. Liu’s proposed re-election as an executive Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to Mr. Liu’s proposed re-election as an executive Director.

(2) *Mr. Zhu Maijin*

Mr. Zhu Maijin (“**Mr. Zhu**”), born in October 1970, graduated from Dalian Maritime University. He holds a master’s degree in management and is a senior captain. Mr. Zhu is currently an executive director, a member of the Strategy Committee and the President of the Company. Mr. Zhu joined the company in July 1996, he served as the deputy general manager (acting general manager), the general manager of the maritime management department and the assistant to general manager of China Shipping Development Co., Ltd. Tanker Company, the vice general manager of China Shipping Tanker Company Limited and the general manager of COSCO SHIPPING Tanker (Shanghai) Co., Ltd.

In accordance with the Articles of Association, Mr. Zhu’s appointment will be for 3 years with effect from 30 June 2021 subject to the Shareholders’ approval. Mr. Zhu will enter into a service contract with the Company for a term of 3 years. As at the Latest Practicable Date, Mr. Zhu was interested in 416,000 underlying shares of the Company attached to the share options granted to him by the Company pursuant to the A share option incentive scheme of the Company. Save as disclosed above, as at the Latest Practicable Date, Mr. Zhu (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group. During the proposed term of appointment, Mr. Zhu will not be entitled to any remuneration nor bonus payments as a Director. Mr. Zhu is entitled to compensation (inclusive of salaries, allowances and benefits in kind and a discretionary bonus) for serving as the President of the Company and for the year ended 31 December 2020, the total emoluments of Mr. Zhu was RMB3,002,000. Save as disclosed herein, there is no other information relating to Mr. Zhu’s proposed re-election as an executive Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to Mr. Zhu’s proposed re-election as an executive Director.

**Non-Executive Directors**

(3) *Mr. Zhang Qinghai*

Mr. Zhang Qinghai (“**Mr. Zhang**”), born in December 1961, holds a master’s degree in business management and is an engineer. He is currently a non-executive director and a member of the Strategy Committee of the Company, a director of COSCO SHIPPING Bulk Co., Ltd, COSCO SHIPPING (North America) Inc and COSCO SHIPPING Specialized Carriers Co., Ltd. and a supervisor of COSCO SHIPPING Logistics Co., Ltd. Mr. Zhang had been a deputy section chief of the human resources division of China Ocean Shipping (Group) Company, the manager of the human resources division and the development department of Shenzhen Ocean Shipping Company, the manager of the operation department of COSCO Talent Development Service Company, the director of the re-employment service center of China Ocean Shipping (Group) Company, a deputy secretary (temporary) of Luolong County Party Committee of the Changdu District of Tibet, a party committee member, the secretary of the discipline inspection commission and the chairman of the labor union of

COSCO Shipyard Group Co., Ltd., a party committee member and the secretary of the discipline inspection commission of Dalian Ocean Shipping Company and Dalian Ocean Shipping Company Limited, a party committee member and the secretary of the discipline inspection commission of COSCO SHIPPING Tanker (Dalian) Co., Ltd., and a party committee member and the secretary of the discipline inspection commission of COSCO SHIPPING Investment Dalian Co., Ltd., etc.

In accordance with the Articles of Association, subject to the Shareholders' approval at the AGM, Mr. Zhang's appointment will be for 3 years with effect from 30 June 2021 and Mr. Zhang will enter into a service contract with the Company for a term of 3 years. Save as disclosed above, as at the Latest Practicable Date, Mr. Zhang (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group. During the proposed term of appointment, Mr. Zhang will not be entitled to any remuneration nor bonus payments as a Director. Save as disclosed herein, there is no other information relating to Mr. Zhang's proposed re-election as a non-executive Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to Mr. Zhu's proposed re-election as a non-executive Director.

**(4) Mr. Liu Zhusheng**

Mr. Liu Zhusheng, born in September 1961, holds a master's degree in engineering and is a senior engineer. He is currently a non-executive director and a member of the Strategy Committee of the Company, a professional external director of COSCO SHIPPING Technology Co., Ltd. (stock code: 002401.SZ) and Shanghai Ship and Shipping Research Institute. Mr. Liu Zhusheng had been the department manager of Tianjin Northern Marine Co., Ltd., the general manager of Tianjin Zhizhou Information Technology Co., Ltd., the general manager of Tianjin Huicheng Software Development Co., Ltd., the project manager, deputy manager and general manager of the information technology department and the general manager of the information center of COSCO Shipyard Group Co., Ltd., a deputy general manager of the information management department of China Ocean Shipping (Group) Company and a deputy general manager of the technology and information management department of China COSCO SHIPPING Corporation Limited. Mr. Liu Zhusheng joined the Company as a non-executive Director in June 2020.

In accordance with the Articles of Association, subject to the Shareholders' approval at the AGM, Mr. Liu Zhusheng's appointment will be for 3 years with effect from 30 June 2021 and Mr. Liu Zhusheng will enter into a service contract with the Company for a term of 3 years. Save as disclosed above, as at the Latest Practicable Date, Mr. Liu Zhusheng (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group. During the proposed term of appointment, Mr. Liu

Zhusheng will not be entitled to any remuneration nor bonus payments as a Director. Save as disclosed herein, there is no other information relating to Mr. Liu Zhusheng's proposed re-election as a non-executive Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to Mr. Liu Zhusheng's proposed re-election as a non-executive Director.

#### **Independent Non-executive Directors**

##### **(5) Mr. Teo Siong Seng**

Mr. Teo Siong Seng (“**Mr. Teo**”), born in Singapore in December 1954, is an independent non-executive Director of the Company, a member of each of the Strategy Committee, the Remuneration and Appraisal Committee, the Audit Committee of the Company. Mr. Teo graduated from Glasgow University in the United Kingdom in 1979 with a First Class Honours Degree in Naval Architecture & Ocean Engineering. He is the executive chairman of Pacific International Lines (Pte) Ltd., the chairman and chief executive officer of Singamas Container Holdings Limited (stock code: 00716.HK), an independent non-executive director of Keppel Corporation Limited (stock code: BN4.SGX), an independent non-executive Director of Wilmar International Limited (stock code: F34.SGX), and an independent non-executive director of COSCO SHIPPING Holding Co., Ltd. (stock code: 601919.SH, 01919.HK). He is an honorary president of the Singapore Chinese Chamber of Commerce & Industry, the former chairman of the Singapore Business Federation and was a nominated member of parliament of the Singapore Government. He was the founding chairman of Singapore Maritime Foundation and the president of Singapore Shipping Association. Mr. Teo is currently the honorary consul of the United Republic of Tanzania in Singapore, the director of Business China, the industrial consultant of Joint Implementation Committee of the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity, the chairman of the China-Singapore Connectivity (Chongqing) Logistics Development Co., Ltd. and the chairman of the China-Singapore Nanning International Logistics Park. Mr. Teo joined the Company as an independent non-executive Director in December 2015.

In accordance with the Articles of Association, subject to Shareholders' approval at the AGM, Mr. Teo's appointment will be for a term up to 28 December 2021 and Mr. Teo will enter into a service contract with the Company accordingly. Save as disclosed above, as at the Latest Practicable Date, Mr. Teo (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group. During the proposed term of appointment, Mr. Teo will be entitled to a director's fee of RMB300,000 per year, which is determined with reference to his duties and responsibilities and the prevailing market conditions, and meeting allowance of RMB3,000 for one Board meeting and RMB2,000 for one Board committee meeting. Save as disclosed herein, there is no other information relating to Mr. Teo's proposed re-election as an independent non-executive Director to be disclosed

pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Teo as an independent non-executive Director.

(6) *Mr. Victor Huang*

Mr. Victor Huang (“**Mr. Huang**”), born in May 1971, is an independent non-executive Director, the chairman of the Audit Committee and a member of the Nomination Committee of the Company. He is also a member of the Hong Kong Institute of Certified Public Accountants. He services as an independent non-executive director to Evergrande Property Services Group Limited (stock code: 06666.HK), ManpowerGroup Greater China Limited (stock code: 02180.HK), Scholar Education Group (stock code: 01769.HK), Topsports International Holdings Limited (stock code: 06110.HK), LBX Pharmacy Chain Co., Ltd. (stock code: 603883.SH), Qingdao Haier Biomedical Co., Ltd. (stock code: 688139.SH) and Newtimes Energy (stock code: 00166.HK). Mr. Huang obtained a degree of Bachelor of Arts in Business Economics from The University of California, Los Angeles in the United States in 1992. He had been a former partner of PricewaterhouseCoopers and KPMG. He has around 30-year experience in the fields of accounting, audit and merger and acquisitions. He serviced as an independent non-executive director to Trinity Limited (stock code: 00891.HK) from December 2018 to December 2020 and to China Bright Culture Group (stock code: 01859.HK) from February 2020 to November 2020. Mr. Huang joined the Company as an independent non-executive Director in June 2020.

In accordance with the Articles of Association, subject to the Shareholders’ approval at the AGM, Mr. Huang’s appointment will be for 3 years with effect from 30 June 2021 and Mr. Huang will enter into a service contract with the Company for a term of 3 years. Save as disclosed above, as at the Latest Practicable Date, Mr. Huang (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group. During the proposed term of appointment, Mr. Huang will be entitled to a director’s fee of RMB300,000 per year, which is determined with reference to his duties and responsibilities and the prevailing market conditions, and meeting allowance of RMB3,000 for one Board meeting and RMB2,000 for one Board committee meeting. Save as disclosed herein, there is no other information relating to Mr. Huang’s proposed re-election as an independent non-executive Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to Mr. Huang’s proposed re-election as an independent non-executive Director.

(7) *Mr. Li Runsheng*

Mr. Li Runsheng (“**Mr. Li**”), born in June 1952, holds a master’s degree and is a professor-level senior economist, is an independent non-executive Director, the chairman of the Remuneration and Appraisal Committee, a member of the Strategy Committee and the Nomination Committee of the Company. He serves as an independent nonexecutive director of China Aviation Oil (Singapore)

Corporation Limited (stock code: G92.SI) and Shandong Lihuayi Weiyuan Chemical Co., Ltd. Mr. Li had been the director of the policy and regulation department of the former State Bureau of Petroleum and Chemical Industry, the party secretary and the deputy general manager of China Petroleum Refining and Sales Company, the director of the general office, assistant to the general manager and deputy director of the consulting center of China National Petroleum Corporation, and a vice chairman, deputy party secretary and the director to the Expert Committee of China Petroleum and Chemical Industry Federation. He has been engaged in the strategic research, market research and industry management for a long time with over 30 years of extensive experience in the oil and gas field. Mr. Li joined the Company as an independent non-executive Director in June 2020.

In accordance with the Articles of Association, subject to the Shareholders' approval at the AGM, Mr. Li's appointment will be for 3 years with effect from 30 June 2021 and Mr. Li will enter into a service contract with the Company for a term of 3 years. Save as disclosed above, as at the Latest Practicable Date, Mr. Li (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group. During the proposed term of appointment, Mr. Li will be entitled to a director's fee of RMB150,000 per year, which is determined with reference to his duties and responsibilities and the prevailing market conditions, and meeting allowance of RMB3,000 for one Board meeting and RMB2,000 for one Board committee meeting. Save as disclosed herein, there is no other information relating to Mr. Li's proposed re-election as an independent non-executive Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to Mr. Li's proposed re-election as an independent non-executive Director.

**(8) Mr. Zhao Jinsong**

Mr. Zhao Jinsong ("**Mr. Zhao**"), born in November 1963, holds a doctorate degree and is a lawyer and a maritime arbitrator, is an independent non-executive Director, the chairman of the Risk Control Committee and a member of the Strategy Committee of the Company. He serves as a professor to the Research Institute at School of Ocean Engineering of Harbin Institute of Technology, Shenzhen, the director and a professor to Smart Ocean Research Center of Shenzhen Research Institute of Shanghai Jiao Tong University, the director to Shenzhen branch center of National Engineering Research Center for Ship Navigation System of Dalian Maritime University, a part-time lawyer to Allbright Law Offices and the president of Sanya Cruise Yacht Research Institute. Mr. Zhao has obtained a bachelor's and master's degree from Dalian Maritime University and a doctorate degree from the University of Southampton in the United Kingdom. He had been an ocean freighter pilot, and worked in maritime law firms Hill Taylor Dickson and Holman Fenwick Willan in the United Kingdom and Lawrence K. Y. Lo & Co. in Hong Kong for many years. He was a professor of maritime law of the Law School of Shanghai Jiao Tong University, the dean and a professor of the International Shipping Law School of East China University of Political Science and Law, and the president of Qianhai Shengang Institute of International Finance (Shenzhen) Co., Ltd. Mr. Zhao had been a visiting professor to many universities at home and abroad, a director of the law center of



China Shipowners' Association, a director of China Shipbuilding Industry Fund Management Agency and a legal advisor of China Classification Society. Mr. Zhao has extensive teaching, scientific research and practical experience in navigation technology, ship financing, maritime law and marine insurance. Mr. Zhao joined the Company as an independent non-executive Director in June 2020.

In accordance with the Articles of Association, subject to the Shareholders' approval at the AGM, Mr. Zhao's appointment will be for 3 years with effect from 30 June 2021 and Mr. Zhao will enter into a service contract with the Company for a term of 3 years. As at the Latest Practicable Date, Mr. Zhao was interested in 6,000 H Shares as the beneficial owner. Save as disclosed above, as at the Latest Practicable Date, Mr. Zhao (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group. During the proposed term of appointment, Mr. Zhao will be entitled to a director's fee of RMB150,000 per year, which is determined with reference to his duties and responsibilities and the prevailing market conditions, and meeting allowance of RMB3,000 for one Board meeting and RMB2,000 for one Board committee meeting. Save as disclosed herein, there is no other information relating to Mr. Li's proposed re-election as an independent non-executive Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to Mr. Zhao's proposed re-election as an independent non-executive Director.

**(9) Mr. Wang Zuwen**

Mr. Wang Zuwen ("Mr. Wang"), born in November 1955, holds a doctorate degree in engineering. Mr. Wang serves as an independent director of Jinzhou Port Company Limited (stock code: 600190.SH), and had successively been an associate professor, a professor, a doctoral advisor and a vice chancellor of Harbin Institute of Technology and a professor and the chancellor of Dalian Maritime University.

In accordance with the Articles of Association, subject to the Shareholders' approval at the AGM, Mr. Wang's appointment will be for 3 years with effect from 30 June 2021 and Mr. Wang will enter into a service contract with the Company for a term of 3 years. Save as disclosed above, as at the Latest Practicable Date, Mr. Wang (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group. During the proposed term of appointment, Mr. Wang will be entitled to a director's fee of RMB150,000 per year, which is determined with reference to his duties and responsibilities and the prevailing market conditions, and meeting allowance of RMB3,000 for one Board meeting and RMB2,000 for one Board committee meeting. Save as disclosed herein, there is no other information relating to Mr. Wang's proposed election as an independent non-executive Director to be disclosed

pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to Mr. Wang's proposed election as an independent non-executive Director.

## B. SUPERVISORS – NON-EMPLOYEE REPRESENTATIVES

The following are the biographical details of the Supervisors proposed to be re-elected at the AGM:

### (1) Mr. Weng Yi

Mr. Weng Yi (“**Mr. Weng**”), born in July 1967, holds a master's degree in management, and is a senior captain and senior engineer. He is currently the chairman of Supervisor Committee of the Company, the safety director and general manager of the safety management department of China COSCO Shipping Corporation Limited, the chairman of the Supervisor Committee of COSCO SHIPPING Bulk Co., Ltd., and the director of COSCO SHIPPING Ferry Co., Ltd. Mr. Weng served as a captain in Guangzhou Maritime Transport (Group) Co., Ltd., the deputy chief of the sailing department and the deputy chief of the shipping department of China Shipping Development Co., Ltd. Tramp Co., the deputy director of the shipping department of China Shipping Group Company Limited, the general manager of Zhuhai New Century Shipping Company Limited, the deputy general manager of China Shipping Development Co., Ltd. Tramp Co., the general manager of the shipping department and the general manager of the operation department of China Shipping Group Company Limited and a chief captain of China Shipping Group Company Limited.

In accordance with the Articles of Association, subject to Shareholders' approval at the AGM, Mr. Weng's appointment will be for 3 years with effect from 30 June 2021 and Mr. Weng will enter into a service contract with the Company for a term of 3 years. Save as disclosed above, as at the Latest Practicable Date, Mr. Weng (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group. During the proposed term of employment, Mr. Weng will not be entitled to any remuneration nor bonus payments as a Supervisor. Save as disclosed herein, there is no other information relating to Mr. Weng's proposed re-election as a Supervisor to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Weng as a Supervisor.

### (2) Mr. Yang Lei

Mr. Yang Lei (“**Mr. Yang**”), born in December 1971, is a Bachelor of Laws and a senior economist. He is now a supervisor of the Company and the deputy general manager of Legal and Risk Management Department of China COSCO Shipping Corporation Limited. Mr. Yang began his career in 1994 and served as the deputy general manager of Strategic Development Department of COSCO Container Lines Co., Ltd. and the deputy general manager of Legal and Risk Management

Department of China Ocean Shipping (Group) Company. Mr. Yang graduated from East China University of Political Science and Law and majored in International Economic Law. Mr. Yang joined the Company in June 2018.

In accordance with the Articles of Association, subject to Shareholders' approval at the AGM, Mr. Yang's appointment will be for 3 years with effect from 30 June 2021 and Mr. Yang will enter into a service contract with the Company for a term of 3 years. Save as disclosed above, as at the Latest Practicable Date, Mr. Yang (i) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold any other positions with other members of the Group. During the proposed term of employment, Mr. Yang will not be entitled to any remuneration nor bonus payments as a Supervisor. Save as disclosed herein, there is no other information relating to Mr. Yang's proposed re-election as a Supervisor to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Yang as a Supervisor.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

### **NOTICE OF ANNUAL GENERAL MEETING**

**Notice is hereby given** that the annual general meeting (the “AGM”) of COSCO SHIPPING Energy Transportation Co., Ltd. (the “Company”) will be held at 2:00 p.m. on Wednesday, 30 June 2021 (or 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, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 1 June 2021.

#### **ORDINARY RESOLUTIONS**

1. To consider and approve the 2020 annual report of the Company;
2. To consider and approve the 2020 audited financial statements of the Company;
3. To consider and approve the shareholders' return plan (2020-2022) of the Company;
4. To consider and approve the proposed distribution of the 2020 final dividend of the Company of RMB20 cents per share (before tax);
5. To consider and approve the 2020 report of the Board;
6. To consider and approve the 2020 report of the supervisory committee of the Company;
7. To consider and approve the remuneration of the Directors and the Supervisors for the year 2021;

The Board recommends the following remuneration for the Directors and Supervisors for the year 2021:

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- (1) Non-independent Directors who hold administrative positions or other specific work concurrently in the Company shall receive remuneration corresponding to the position, and those who do not hold administrative positions or other specific work concurrently in the Company shall not receive any remuneration.
  - (2) Remuneration of independent Directors shall comprise basic remuneration and meeting allowance as follows:

Basic remuneration: RMB150,000 per year for externally hired Directors who are also the chairman of the Board committees and RMB120,000 per year for other externally hired Directors. The basic remuneration for externally hired Directors who are overseas individuals will be RMB300,000 per year.

Meeting allowance: RMB3,000 for every Board meeting and general meeting and RMB2,000 for every Board committee meeting.
  - (3) Non-independent Supervisors who hold administrative positions or other specific work concurrently in the Company shall receive remuneration corresponding to the position, and those who do not hold administrative positions or other specific work concurrently in the Company shall not receive any remuneration.
  - (4) The remuneration for any independent Supervisors will be at the same level as independent Directors referred to above.
8. To consider and approve (i) the reappointments of PricewaterhouseCoopers and SHINEWING Certified Public Accountants as the international auditors and the domestic auditors of the Company for the year ending 31 December 2021, respectively, and to hold office until the conclusion of the next annual general meeting for providing the Company with audit reports including the 2021 interim review report, the 2021 annual audit report and the audit report on the internal controls of the Company, as well as rendering specific audit and review services; (ii) the respective fees for review and audit payable by the Company to PricewaterhouseCoopers and SHINEWING Certified Public Accountants for the year ending 31 December 2021 of RMB3.15 million and RMB2.61 million (inclusive of taxes and travel expenses), respectively; and (iii) in the event of a major change in the scope of review and audit in respect of the Company, the authorisation to the Board or any person authorised by the Board to reasonably determine the specific amount of the audit fees of the domestic and international auditors of the Company for the year ending 31 December 2021.

### SPECIAL RESOLUTION

9. To consider and approve the proposed guarantees for (i) China Shipping Development (Hong Kong) Marine Co.; (ii) COSCO SHIPPING Tanker (Singapore) Pte. Ltd.; (iii) Pan Cosmos Shipping & Enterprises Co., Ltd.; and (iv) COSCO SHIPPING Energy Transportation (Hainan) Co., Ltd. (collectively, the “**Guaranteed Wholly-owned Subsidiaries**”) to be provided by the Company and among the Guaranteed Wholly-owned Subsidiaries in a total amount not exceeding US\$1.4 billion (or its equivalent in other currencies) to guarantee the possible

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financial obligations of the Guaranteed Wholly-owned Subsidiaries and the proposed authorisation to the chairman of the Board or the general manager of the Company to execute the guarantees, further details of which are set out in the relevant announcement of the Company dated 30 March 2021;

### ORDINARY RESOLUTIONS

10. To re-elect the members (executive Directors and non-executive Directors) of the tenth term of the Board and their terms of appointment:
  - (1) to consider and approve the re-election of Mr. Liu Hanbo as an executive Director and the terms of his appointment, details of which are set out in the circular of the Company dated 1 June 2021;
  - (2) to consider and approve the re-election of Mr. Zhu Maijin as an executive Director and the terms of his appointment, details of which are set out in the circular of the Company dated 1 June 2021;
  - (3) to consider and approve the re-election of Mr. Zhang Qinghai as a non-executive Director and the terms of his appointment, details of which are set out in the circular of the Company dated 1 June 2021;
  - (4) to consider and approve the re-election of Mr. Liu Zhusheng as a non-executive Director and the terms of his appointment, details of which are set out in the circular of the Company dated 1 June 2021; and
  
11. To elect (or re-elect, as the case may be) the members (independent non-executive Directors) of the tenth term of the Board and their terms of appointment:
  - (1) to consider and approve the re-election of Mr. Teo Siong Seng as an independent non-executive Director and the terms of his appointment, details of which are set out in the circular of the Company dated 1 June 2021;
  - (2) to consider and approve the re-election of Mr. Victor Huang as an independent non-executive Director and the terms of his appointment, details of which are set out in the circular of the Company dated 1 June 2021;
  - (3) to consider and approve the re-election of Mr. Li Runsheng as an independent non-executive Director and the terms of his appointment, details of which are set out in the circular of the Company dated 1 June 2021;
  - (4) to consider and approve the re-election of Mr. Zhao Jinsong as an independent non-executive Director and the terms of his appointment, details of which are set out in the circular of the Company dated 1 June 2021; and

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- (5) to consider and approve the election of Mr. Wang Zuwen as an independent non-executive Director and the terms of his appointment, details of which are set out in the circular of the Company dated 1 June 2021.
12. To re-elect the members of the tenth term of the Supervisory Committee (other than employee representative Supervisors) and their terms of appointment:
- (1) to consider and approve the re-election of Mr. Weng Yi as a Supervisor and the terms of his appointment, details of which are set out in the circular of the Company dated 1 June 2021; and
- (2) to consider and approve the re-election of Mr. Yang Lei as a Supervisor and the terms of his appointment, details of which are set out in the circular of the Company dated 1 June 2021.

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

Shanghai, the PRC  
1 June 2021

*Notes:*

1. For the purpose of holding the AGM, the register of H Shares members of the Company (the “**Register of Members**”) will be closed from Wednesday, 23 June 2021, to Wednesday, 30 June 2021 (both days inclusive), during which no transfer of H Shares of the Company will be registered. H Shareholders whose names appear on the Register of Members at the close of business on Wednesday, 30 June 2021 are entitled to attend and vote at the AGM after completing the registration procedures for attending the meeting.
2. In order to be entitled to attend and vote at the AGM, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Hong Kong Registrars Limited, the H share registrar of the Company, not later than 4:30 p.m. on Tuesday, 22 June 2021.
3. To ascertain the H Shareholders’ entitlement to the proposed final dividend, the Register of Members will be closed from Tuesday, 20 July 2021 to Friday, 23 July 2021 (both days inclusive) during which no transfer of H Shares of the Company will be registered. The H Shareholders whose names appear on the Register of Members at the close of business on Friday, 23 July 2021 will be qualified for the proposed final dividend.
4. In order to qualify for the proposed final dividend, the H Shareholders must lodge all transfer documents together with the relevant share certificates to Hong Kong Registrars Limited, the H share registrar of the Company not later than 4:30 p.m. on Monday, 19 July 2021. The proposed final dividend (the payment of which is subject to approval of the Shareholders’ approval at the AGM) is to be payable on or before Friday, 27 August 2021 to the H Shareholders whose names appear on the Register of Members at the close of business on Friday, 23 July 2021.

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5. The address of Hong Kong Registrars Limited, the share registrar (for share transfer) for the H shares of the Company is as follows:

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

The details of the Office of the Board of Directors of the Company are as follows:

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

6. Each H Shareholder who has the right to attend and vote at the AGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the AGM.
7. The form of proxy must be in writing under the hand of the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a legal person, must either be executed under its common seal or under the hand of a legal representative or other attorney duly authorised to sign the same. If the form of proxy is signed by an attorney authorised by the Shareholder, the power of attorney authorising signature or other documents of authorisation must be notarially certified.
8. To be valid, for H Shareholders, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to Hong Kong Registrars Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the AGM or any adjournment thereof.
9. Each A Shareholder is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the AGM. Notes 6 to 7 also apply to A Shareholders, except that the form of proxy or other documents of authority must be delivered to the Office of the Board of Directors of the Company, not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof in order for such documents to be valid.

The details of the Office of the Board of Directors of the Company are as follows:

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

10. If a proxy attends the AGM on behalf of a shareholder, he/she should produce his/her identity card and the form of proxy signed by the Shareholder or his/her attorney, which specifies the date of its issuance. If a legal person Shareholder appoints its legal representative to attend the AGM, such legal representative should produce his/her identity card and valid documents evidencing his/her capacity as such legal representative. If a legal person Shareholder



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appoints a company representative other than its legal representative to attend the AGM, such representative should produce his/her 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.

11. The AGM is estimated to last for an hour. Shareholders who attend the AGM in person or by proxy shall bear their own transportation and accommodation expenses.

*As at the date of this notice, the Board comprises Mr. Liu Hanbo and Mr. Zhu Maijin as executive Directors, Mr. Zhang Qinghai and Mr. Liu Zhusheng as non-executive Directors, Mr. Rui Meng, Mr. Teo Siong Seng, Mr. Victor Huang, Mr. Li Runsheng and Mr. Zhao Jinsong as independent non-executive Directors.*

\* *For identification purposes only.*