

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



COSCO SHIPPING ENERGY TRANSPORTATION CO., LTD.*
中遠海運能源運輸股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1138)

DISCLOSEABLE TRANSACTION
CONSTRUCTION OF THREE VESSELS

THE SHIPBUILDING CONTRACTS

The Board is pleased to announce that on 7 December 2021, United Auspicious LNG, United Peace LNG and United Success LNG (each being a wholly-owned subsidiary of United Liquefied Gas Shipping, an indirect non-wholly-owned subsidiary of the Company) entered into the Shipbuilding Contracts with Hudong-Zhonghua Shipbuilding and China Shipbuilding Trading for the construction of the three Vessels at an aggregate consideration of approximately US\$554 million.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As one or more applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules in respect of the Shipbuilding Contracts and the transactions contemplated thereunder, on an aggregated basis, exceed 5% but are less than 25%, the entering into of the Shipbuilding Contracts and the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

* *For identification purposes only*

INTRODUCTION

The Board is pleased to announce that on 7 December 2021, United Auspicious LNG, United Peace LNG and United Success LNG (each being a wholly-owned subsidiary of United Liquefied Gas Shipping, an indirect non-wholly-owned subsidiary of the Company) entered into the Shipbuilding Contracts with Hudong-Zhonghua Shipbuilding and China Shipbuilding Trading for the construction of the three Vessels at an aggregate consideration of approximately US\$554 million.

THE SHIPBUILDING CONTRACTS

The principal terms of the Shipbuilding Contracts are set out below.

Date

7 December 2021

Parties

- (1) each of United Auspicious LNG, United Peace LNG and United Success LNG (as buyer);
- (2) Hudong-Zhonghua Shipbuilding (as builder and seller); and
- (3) China Shipbuilding Trading (as seller).

Subject matter

Pursuant to the Shipbuilding Contracts, Hudong-Zhonghua Shipbuilding and China Shipbuilding Trading (as the Sellers) have jointly and severally agreed to design, build, launch, equip and complete at the shipyard, and sell and deliver to the Buyers, and the Buyers have agreed to purchase and take delivery of the Vessels.

The Vessels

The Vessels are three LNG carriers with guaranteed cargo capacity of not less than 174,000 cubic metres and guaranteed deadweight of 80,000 metric tons at design draught each.

Consideration and payment terms

Pursuant to the Shipbuilding Contracts, the consideration for each of the Vessels is approximately US\$185 million, and the aggregate consideration for the three Vessels is approximately US\$554 million. The consideration (being the vessel price of each of the Vessels) is payable by each of the Buyers to the Sellers in four instalments of 10%, 10%, 10% and 70%, respectively based on the shipbuilding progress. The fourth instalment, being 70% of the consideration, shall be subject to

adjustments under certain circumstances (including, among other things, expense reimbursements and liquidated damages for late delivery and performance deficiencies of the Vessels) in accordance with the terms of the Shipbuilding Contracts.

The consideration was determined after arm's length negotiations between each of the Buyers and the Sellers with reference to the market price for the construction of comparable vessels by major ship builders in the market.

The consideration for the Vessels payable under the Shipbuilding Contracts will be funded by the Group as to approximately 80% by bank borrowings and approximately 20% by internal financial resources.

Delivery

The delivery of the three Vessels is expected to take place on a date no later than 30 September 2024, 31 December 2024 and 31 March 2025, respectively.

Modifications

Pursuant to the Shipbuilding Contracts, the Buyers may submit a request for change to the specifications of the Vessels to the Sellers at any time after the date of the Shipbuilding Contracts. The Buyers shall provide, together with the request, sufficient documentation and detail to describe the change requested, provided that the planned program for the construction of the Vessels and the Sellers' other commitments can reasonably be adjusted to accommodate the change.

INFORMATION ON THE PARTIES

Information on the Group

The Company is a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1138) and the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600026).

The Group is principally engaged in investment holding, oil shipment along the coast of the PRC and internationally, international LNG shipment, international chemical transportation and vessel chartering.

United Liquefied Gas Shipping is a company incorporated under the laws of Hong Kong with limited liability and is an indirect non-wholly owned subsidiary of the Company. United Liquefied Gas Shipping is held by the Company through its subsidiaries as to 81%, and the remaining 19% share capital of United Liquefied Gas Shipping is indirectly held by Petrochina International (Hong Kong) Corporation Limited (中國石油國際事業(香港)有限公司) ("**Petrochina International**"). To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry, Petrochina International and its ultimate beneficial owners are third parties independent of the

Company and its connected persons. United Liquefied Gas Shipping is principally engaged in the investment, leasing, operation and management of liquefied natural gas vessels, ethane vessels and other vessels, and the development of related freight forwarding business.

United Auspicious LNG is a company incorporated under the laws of Hong Kong with limited liability and is a wholly-owned subsidiary of United Liquefied Gas Shipping. It is principally engaged in vessel holding.

United Peace LNG is a company incorporated under the laws of Hong Kong with limited liability and is a wholly-owned subsidiary of United Liquefied Gas Shipping. It is principally engaged in vessel holding.

United Success LNG is a company incorporated under the laws of Hong Kong with limited liability and is a wholly-owned subsidiary of United Liquefied Gas Shipping. It is principally engaged in vessel holding.

Information on Hudong-Zhonghua Shipbuilding

Hudong-Zhonghua Shipbuilding is a company incorporated under the laws of the PRC with limited liability. It is principally engaged in the business of shipbuilding and ship repairing. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry, as at the date of this announcement, Hudong-Zhonghua Shipbuilding is a wholly-owned subsidiary of CSSC, a PRC state-owned enterprise controlled by China Shipbuilding Corporation, which is in turn controlled by the SASAC.

As at the date of this announcement, 42,979,942 A Shares, representing approximately 0.90% of the total issued share capital of the Company, is held by Hudong-Zhonghua Shipbuilding. Save as disclosed above, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry, Hudong-Zhonghua Shipbuilding and its respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Information on China Shipbuilding Trading

China Shipbuilding Trading is a company incorporated under the laws of the PRC with limited liability. It is principally engaged in the brokerage of sales and purchases of vessels. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry, as at the date of this announcement, China Shipbuilding Trading is held by CSSC and CSIC as to 50% and 50%, respectively. CSIC is also a PRC state-owned enterprise controlled by China Shipbuilding Corporation, which is in turn controlled by the SASAC.

As at the date of this announcement, 85,959,885 A Shares, representing approximately 1.80% of the total issued share capital of the Company, is held by Dalian Shipbuilding Industry Group Co., Ltd.* (大連船舶重工集團有限公司), which is a wholly-owned subsidiary of China Shipbuilding Industry Company Limited* (中國船舶重工股份有限公司), the A shares of which are listed on the Shanghai

“Buyer(s)”	collectively, United Auspicious LNG, United Peace LNG and United Success LNG
“China Shipbuilding Corporation”	China State Shipbuilding Corporation Limited* (中國船舶集團有限公司), a company incorporated under the laws of the PRC with limited liability
“China Shipbuilding Trading”	China Shipbuilding Trading Co., Ltd.* (中國船舶工業貿易有限公司), a company incorporated under the laws of the PRC with limited liability
“Company”	COSCO SHIPPING Energy Transportation Co., Ltd.* (中遠海運能源運輸股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1138) and the Shanghai Stock Exchange (Stock Code: 600026), respectively
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSIC”	China Shipbuilding Industry Corporation* (中國船舶重工集團有限公司), a PRC state-owned enterprise controlled by China Shipbuilding Corporation, which is in turn controlled by the SASAC
“CSSC”	China State Shipbuilding Corporation Limited* (中國船舶工業集團有限公司), a PRC state-owned enterprise controlled by China Shipbuilding Corporation, which is in turn controlled by the SASAC
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) of par value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the Main Board of the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Hudong-Zhonghua Shipbuilding”	Hudong-Zhonghua Shipbuilding (Group) Co., Ltd.* (滬東中華造船集團有限公司), a company incorporated under the laws of the PRC with limited liability
“LNG”	liquefied natural gas
“percentage ratios”	has the meaning ascribed to it under the Hong Kong Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Seller(s)”	collectively, Hudong-Zhonghua Shipbuilding and China Shipbuilding Trading
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Shipbuilding Contracts”	collectively, three shipbuilding contracts dated 7 December 2021 entered into between each of the Buyers, Hudong-Zhonghua Shipbuilding and China Shipbuilding Trading for the construction of the Vessels
“United Auspicious LNG”	United Auspicious LNG Shipping Co., Limited (聯泰液化天然氣運輸有限公司), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of United Liquefied Gas Shipping
“United Liquefied Gas Shipping”	United Liquefied Gas Shipping (Hong Kong) Co., Ltd. (聯合液化氣體運輸(香港)有限公司), a company incorporated under the laws of Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company
“United Peace LNG”	United Peace LNG Shipping Co., Ltd. (聯安液化天然氣運輸有限公司), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of United Liquefied Gas Shipping

“United Success LNG”	United Success LNG Shipping Co., Ltd. (聯順液化天然氣運輸有限公司), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of United Liquefied Gas Shipping
“US\$”	United States Dollar, the lawful currency of the United States of America
“Vessels”	three LNG carriers with guaranteed cargo capacity of not less than 174,000 cubic metres and guaranteed deadweight of 80,000 metric tons at design draught each
“%”	per cent

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

Shanghai, the PRC
7 December 2021

As at the date of this announcement, the Board comprises Mr. Ren Yongqiang and Mr. Zhu Maijin as executive Directors, Mr. Zhang Qinghai and Mr. Liu Zhusheng as non-executive Directors, Mr. Teo Siong Seng, Mr. Victor Huang, Mr. Li Runsheng, Mr. Zhao Jinsong and Mr. Wang Zuwen as independent non-executive Directors.