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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)

**COMPLETION OF REGISTRATION OF THE INITIAL GRANT
UNDER THE 2023 SHARE OPTION INCENTIVE SCHEME**

On 28 June 2024, the registration procedure for the Initial Grant of 22,309,600 Share Options under the 2023 Share Option Incentive Scheme at the China Securities Depository and Clearing Corporation Limited Shanghai Branch was completed. Details are as follows:

- (1) Name of the Share Options: COSCO SHIPPING Energy Transportation Share Options;
- (2) Codes of the Share Options (to be exercised by three batches): 1000000644, 1000000645, 1000000646;
- (3) Completion date of registration of the Initial Grant of Share Options: 28 June 2024.

References are made to (i) the announcement of COSCO SHIPPING Energy Transportation Co., Ltd. (the “**Company**”) dated 26 October 2023, (ii) the circular of the Company dated 23 April 2024 (the “**Circular**”), (iii) the poll results announcement of the Company dated 10 May 2024, in relation to, among others, the proposed adoption of the 2023 A Share Option Incentive Scheme, and (iv) the announcement of the Company dated 10 May 2024 in relation to the (1) adjustment of the number of the Initial Grant of the 2023 Share Option Incentive Scheme, and (2) Initial Grant of Share Options under the 2023 Share Option Incentive Scheme (the “**Announcement**”). Unless otherwise indicated, capitalised terms used in this announcement shall have the same meanings as defined in the Circular and the Announcement of the Company.

On 10 May 2024, the 2023 Share Option Incentive Scheme was approved by the EGM and the Class Meetings of the Company by way of special resolutions passed at the relevant meetings. Thereafter, the Board, pursuant to the authorisation given by the general meeting, resolved and passed the Proposal on Adjustment of the Number of the Initial Grant of the 2023 Share Option Incentive Scheme and the Proposal on Initial Grant of Share Options under the 2023 Share Option Incentive Scheme. The Company has completed the registration of the Initial Grant of Share Options under the Share Option Incentive Scheme. Details of which are as follows:

I. STATUS OF GRANT OF THE SCHEME

The details of the actual grant under the Scheme is as follows:

1. **Date of Grant:** 10 May 2024
2. **Exercise Price:** RMB13.00 per A Share
3. **Source of Shares:** new A Shares (being ordinary shares) to be issued and placed to the Participants by the Company
4. **Number of Share Options granted:** 22,309,600
5. **Number of grantees under the Initial Grant:** 107
6. **The details of the Participants and the Initial Grant are set out in the table below:**

Name	Position(s)	Share Options Granted (ten thousands)	Proportion to the total Share Options in the Initial Grant	Proportion to the total share capital of the Company as at the date of this announcement ⁽²⁾
I. Directors, senior management				
Ren Yongqiang	Executive Director, Chairman, Secretary of Party Committee	28.32	1.269%	0.006%
Zhu Maijin	Executive Director, General Manager, Deputy Secretary of Party Committee	26.93	1.207%	0.006%
Qin Jiong	Deputy General Manager, Member of Party Committee	20.98	0.940%	0.004%

Name	Position(s)	Share Options Granted (ten thousands)	Proportion to the total Share Options in the Initial Grant	Proportion to the total share capital of the Company as at the date of this announcement⁽²⁾
Yu Bozheng	Deputy General Manager, Member of Party Committee	20.98	0.940%	0.004%
Tian Chao	Chief Accountant, Member of Party Committee	19.68	0.882%	0.004%
Chen Jianrong	Deputy General Manager, Member of Party Committee	19.42	0.870%	0.004%
Ni Yidan	Secretary to the Board	16.49	0.739%	0.003%
Subtotal (7 persons)		152.80	6.849%	0.032%
II. Other participants				
Core management at the headquarters (62 persons)		1,247.99	55.940%	0.262%
Core management of subsidiaries (38 persons)		830.17	37.211%	0.174%
Total Initial Grant (107 persons)		2,230.96	100.000%	0.468%

Notes:

- (1) Any discrepancy in the last digit of the above total amount and the sum of all breakdowns is a result of rounding.
- (2) The total number of Shares of the Company as at the date of this announcement is 4,770,776,395.

II. VALIDITY PERIOD, VESTING PERIOD AND EXERCISE ARRANGEMENT OF SHARE OPTIONS

(1) Validity Period

The Validity Period for the Exercise of the Share Options granted shall be seven years from the Date of Grant (i.e. from 11 May 2024 to 10 May 2031), which means that the employees can exercise on the pre-determined effective and exercise schedule within seven years from the Date of Grant. Share Options not exercised will lapse after seven years from the Date of Grant.

(2) Vesting Period

Vesting Period represents the period from the Date of Grant to the Exercise Date of a Share Option, which shall be a period of 24 months pursuant to the relevant requirements of the SASAC.

(3) Exercise Date, performance targets and clawback mechanism

Share Options can be exercised after 24 months from the grant. Exercise Date must be a trading day.

During the Exercise Period (as defined hereinafter), upon the fulfilment of effective conditions required by the Scheme, the Share Options granted to the Participants can be exercised in tranches according to the arrangement set out in the following table:

Exercise Period ("Exercise Period")	Exercise Time	Exercise Proportion
First Exercise Period	Commencing on the first trading day after expiry of 24 months (after the second full year) from the Date of Grant and ending on the last trading day of the 36 months from the Date of Grant (i.e., from 11 May 2026 to 10 May 2027)	33%
Second Exercise Period	Commencing on the first trading day after expiry of 36 months (after the third full year) from the Date of Grant and ending on the last trading day of the 48 months from the Date of Grant (i.e., from 11 May 2027 to 10 May 2028)	33%
Third Exercise Period	Commencing on the first trading day after expiry of 48 months (after the fourth full year) from the Date of Grant and ending on the last trading day of the 84 months from the Date of Grant (i.e., from 11 May 2028 to 10 May 2031)	34%

If the current effective conditions are not fulfilled, the Share Options shall not be exercised or deferred to become exercisable in the next Exercise Period, and the respective Share Options shall be cancelled by the Company. The portion that fails to be exercised within each Exercise Period shall not be exercised subsequently. After the expiration of the current Exercise Period, all Share Options not exercised shall lapse, and shall be recalled and cancelled by the Company collectively. For further details of the clawback mechanism, please refer to “Appendix I — Summary of the Principal Terms of the 2023 Share Option Incentive Scheme — M. Handling of Special Occasions of the Company and Participants” in the Circular.

The number of individual effective Share Options of Participants shall be adjusted according to the individual comprehensive appraisal and assessment results for the previous year, and the number of the actual effective Share Options shall not exceed their total effective interests for the current period.

Where the Participant is a Director or senior management of the Company, upon the Exercise, no less than 20% of the Shares exercised from options granted to the relevant Participant under each Exercise Period shall not be sold until the expiry and assessment being made for the tenure (or employment) before they can be sold. The term tenure (or employment) herein means the tenure for the office from the starting date of the last Exercise Period.

III. COMPLETION OF REGISTRATION OF THE SHARE OPTIONS GRANTED UNDER THE INCENTIVE SCHEME

On 28 June 2024, the registration procedure for the 22,309,600 Share Options under the Initial Grant of the Scheme at the China Securities Depository and Clearing Corporation Limited Shanghai Branch was completed. Details are as follows:

- (i) Name of the Share Options: COSCO SHIPPING Energy Transportation Share Options
- (ii) Codes of the Share Options (to be exercised by three batches): 1000000644, 1000000645, 1000000646
- (iii) Completion date of registration of the Initial Grant of Share Options: 28 June 2024

IV. IMPACT ON THE COMPANY’S OPERATING CAPACITY AND FINANCIAL CONDITIONS AFTER THE GRANT OF THE SHARE OPTIONS

The Company has selected the internationally adopted Black-Scholes Option Pricing Model to measure the fair value of the Share Options granted on 10 May 2024, being the Date of Grant, in accordance with the “Accounting Standards for Enterprises No. 11 — Share-based Payments and Accounting Standards for Enterprises” and “Accounting Standards for Enterprises No. 22 — Recognition and Measurement of Financial Instruments” issued by the Ministry of Finance of the People’s Republic of China and the requirements of the SASAC.

Based on the valuation model and the measurement of various data as at 10 May 2024, the total cost of the 22,309,600 Share Options granted is RMB190,300,888.

The cost of this Share Options granted should be amortised over the Vesting Period (up to 24, 36 and 48 months respectively from the Date of Grant). The incentive costs incurred under the Scheme will be expensed in recurring gains and losses. In accordance with the requirements of the PRC Accounting Standards, the impacts on the accounting costs for each period are shown in the table below:

Year	2024	2025	2026	2027	2028
Amortisation for the year (RMB, ten thousands)	3,996.32	6,850.83	5,019.19	2,489.77	673.98

Note: Any discrepancy between the total and the sum of all breakdowns is a result of rounding.

The above assessment results are subject to the amount to be audited by the auditors. For further details of the impact on the Company’s operating capacity and financial conditions, please refer to “IMPACT ON THE COMPANY’S OPERATING CAPACITY AND FINANCIAL CONDITIONS AFTER THE GRANT OF THE SHARE OPTIONS” in the Announcement.

This announcement is published in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail.

Investors and Shareholders are advised by the Board to exercise caution when dealing in the securities of the Company.

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

Shanghai, the PRC
2 July 2024

As at the date of this announcement, the Board comprises Mr. Ren Yongqiang and Mr. Zhu Maijin as executive Directors, Mr. Wang Wei and Ms. Wang Songwen as non-executive Directors, Mr. Victor Huang, Mr. Li Runsheng, Mr. Zhao Jinsong and Mr. Wang Zuwen as independent non-executive Directors.

* *For identification purposes only*