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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)**

**OVERSEAS REGULATORY ANNOUNCEMENT**  
**CHANGES IN ACCOUNTING ESTIMATES**

This announcement is made by COSCO SHIPPING Energy Transportation Co., Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

**I. CHANGES IN ACCOUNTING ESTIMATES**

1. Date of the changes: adopted since 1 April 2021
2. Reasons of the changes: the fleet of the Company will enter into the peak dry-docking period considering current ageing situation. In accordance with the requirements for refined dry-docking management of the Company, the Company will adjust the amortization life of the regular dry-docking expenses so as to better match the subsequent expenses with benefit period of fixed assets and to fairly and appropriately reflect the financial condition and operating results of the Company.

\* *For identification purposes only*

## **II. CHANGES IN ACCOUNTING ESTIMATES OF AMORTISATION PERIOD OF THE COMPANY'S DRY-DOCKING**

### **1. Accounting estimates before the changes in accounting estimates:**

The dry-docking expenses of regular repair of vessels of the Company to meet the statutory and class survey requirements as well as maintain the technical condition of vessels will be amortised within 12 months.

### **2. Accounting estimates after the changes in accounting estimates:**

Regular dry-docking expenses of self-owned vessels of the Company incurred for satisfying the statutory and class survey requirements and maintaining its technical condition will be amortised during its benefit period, e.g. the interval of two dry-dockings (the standard is 30 months), and if the actual dry-docking interval is less 30 months, the unamortised dry-docking expenses will be amortised in full within the month when the vessels are docked again; and other dry-docking expenses of self-owned vessels will be directly charged into gains or losses when occurs; and the irregular dry-docking expenses will be directly charged into gains or losses.

## **III. EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES ON THE COMPANY**

According to the relevant requirements of the “China Accounting Standards for Business Enterprises”, the adjustment of amortisation period of dry-docking constitutes the change in accounting estimate and is applied prospectively for accounting treatment, which will not affect the disclosed financial statements of the Company.

According to the Company’s dry-docking schedules in April to December 2021 and in combination with the dry-docking market price, it is expected the changes in amortisation period of dry-docking will result in the increase of total profit of the Company of approximately RMB96 million in 2021.

## **IV. THE RATIONAL STATEMENT OF THE BOARD OF DIRECTORS IN RESPECT OF THE CHANGES IN ACCOUNTING ESTIMATES**

The ninth Board meeting of the Company in 2021 was convened on 30 August 2021, which passed the “Resolution on Changes in Accounting Estimates”.

The Board considered that the adjustment of accounting estimates of amortisation period of dry-docking complies with the requirements of the China Accounting Standards for Business Enterprises. The subsequent expenditures of vessels after the changes can reflect the financial condition and operating results of the Company more truly and accurately.

The Board agreed with the changes in accounting estimates of the Company.

## **V. INDEPENDENT DIRECTORS' OPINION**

According to the relevant requirements of the “Guidelines on the Establishment of Independent Directorship of Listed Companies” and the “Code of Corporate Governance for Listed Companies” and the “Articles of Association” of the Company, the independent directors of the Company have carefully reviewed the materials of the Board meeting of the Company, and expressed their opinion for the “Resolution on Changes in Accounting Estimates” as follows:

1. The Board approved the changes in accounting estimates and its approval procedure has complied with the requirements of the “Articles of Association” of the Company and the relevant laws and regulations;
2. The changed accounting estimates can be more accurately reflected regular dry-docking situation for satisfying the requirements of the treaty and regulations. The basis of such changes are true, reliable and in compliance with the relevant regulations of the “China Accounting Standards for Business Enterprises”, and the financial condition and operating results of the Company can be more reliably reflected in a fair and appropriate manner and without prejudice to the interests of the Company and its minority shareholders;
3. After prudent judgments, the independent directors agreed to the above changes in accounting estimates of the Company.

## **VI. SUPERVISORY COMMITTEE'S OPINION**

The supervisory committee expressed its review opinion in respect of the changes of accounting estimates as follows:

1. The changes in accounting estimates of the Company have taken into account the actual situation of the Company and have complied with the relevant requirements of laws and regulations;
2. The financial condition and operating results of the Company can be reflected more fairly and reliably after the changes in accounting estimates, thus such changes will improve the quality of the financial information of the Company;
3. The Supervisory Committee unanimously agreed to the above changes in accounting estimates.

## **VII. THE ACCOUNTANT'S OPINION**

ShineWing Certified Public Accountants LLP, the domestic auditor of the Company, is of the opinion that the special explanation made by the management of the Company complies with the relevant provisions of the “China Accounting Standards for Business Enterprises No. 28 – Changes in Accounting Policies and Accounting Estimates and Correction of Accounting

Errors” and the “93th Guideline – Correction of Accounting Errors, Changes in Accounting Policies or Estimates” of “First Memorandum on Daily Information Disclosure for Listed Companies of Shanghai Stock Exchange – Guidelines of Ad-hoc Reports”, reflecting the changes in accounting estimates of the Company faithfully.

This announcement is made pursuant to Rule 13.10B of the Listing Rules. The A-Shares of the Company are listed on the Shanghai Stock Exchange, which has required the Company to publish an announcement similar to this announcement.

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

Shanghai, the People’s Republic of China  
30 August 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.*