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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)

NEGATIVE PROFIT ALERT
FOR THE YEAR ENDED 31 DECEMBER 2021

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021, the Group expects to record a net loss attributable to the equity holders of the Company for the year ended 31 December 2021 in the range of approximately RMB4.93 billion to approximately RMB5.13 billion (equivalent to approximately HK\$6.01 billion to HK\$6.26 billion), as compared to a net profit attributable to the equity holders of the Company of approximately RMB2.38 billion (equivalent to approximately HK\$2.90 billion) for the year ended 31 December 2020.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company and read carefully the announcement of the annual results of the Group for the year ended 31 December 2021, which is expected to be published in March 2022.

This announcement is made by COSCO SHIPPING Energy Transportation Co., Ltd.* (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

* *For identification purposes only*

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (or the “**Reporting Period**”) and having taken into account the provision for asset impairment as further detailed in the relevant announcement of the Company dated 21 January 2022, the Group expects to record a net loss attributable to the equity holders of the Company for the year ended 31 December 2021 in the range of approximately RMB4.93 billion to approximately RMB5.13 billion (equivalent to approximately HK\$6.01 billion to HK\$6.26 billion), as compared to a net profit attributable to the equity holders of the Company of approximately RMB2.38 billion (equivalent to approximately HK\$2.90 billion) for the year ended 31 December 2020.

Based on the information currently available, the expected loss for the year ended 31 December 2021 was mainly attributable to:

- 1) In 2021, the recurring COVID-19 epidemic disrupted the global economic activities, oil consumption was suppressed accordingly. Additionally, the destocking of oil commercial inventory delayed the recovery of oil transportation demand. The structural conflicts of supply and demand in shipping capacity also led to low international tanker freight rates. The average annual TCE (“**Time Charter Equivalent**”) of VLCC (“**Very Large Crude Carrier**”) TD3C (“Middle East-China”) was USD-518 per day, representing a year-on-year decrease of approximately USD48,697 per day or 101%. The uncertain international politics and economics diminished the market boost. To realize the annual business goal of “Win the Market, Win the Peers” in the complex operational environment, the Group adopted various effective measures such as low speed fleet navigation, refined fuel procurement, business model innovation etc, to control the operational cost and improve efficiency. However, in 2021, due to the unsatisfactory international tanker market and the rigid increase in cost of epidemic prevention, the business performance of the Group was nonetheless significantly affected; and
- 2) During the Reporting Period, the Group made the provision for asset impairment for 94 vessels with the amount of approximately RMB4.96 billion. For further details, please refer to the announcement of the Company dated 21 January 2022 in respect of the provision for asset impairment.

The Company is still in the process of finalizing the consolidated results of the Group for the year ended 31 December 2021. The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 currently available to the Company, and is not based on any figures or information which have been reviewed or confirmed by the audit committee of the Board, or reviewed or audited by the auditors of the Company. The actual results of the Group for the year ended 31 December 2021 may differ from that disclosed in this announcement. Further details of the financial performance of the Group will be disclosed in the annual results announcement of the Group for the year ended 31 December 2021.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company and read carefully the announcement of the annual results of the Group for the year ended 31 December 2021, which is expected to be published in March 2022.

By order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
Ren Yongqiang
Chairman

Shanghai, People's Republic of China
21 January 2022

For the purpose of this announcement, translations of RMB to HK\$ or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.82. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rates or any other rates or at all.

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.