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**中遠海運控股股份有限公司**  
**COSCO SHIPPING Holdings Co., Ltd.\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 1919)**

**OVERSEAS REGULATORY ANNOUNCEMENT**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The “Announcement on Changes in Accounting Estimates” as published in Chinese on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 27 April 2018 is enclosed hereto as overseas regulatory announcement in English and Chinese.

By Order of the Board  
**COSCO SHIPPING Holdings Co., Ltd.\***  
**Guo Huawei**  
*Company Secretary*

Shanghai, the People's Republic of China  
27 April 2018

*As at the date of this announcement, the directors of the Company are Mr. HUANG Xiaowen<sup>1</sup> (Vice Chairman), Mr. WANG Haimin<sup>1</sup>, Mr. MA Jianhua<sup>2</sup>, Mr. ZHANG Wei (張為)<sup>1</sup>, Mr. FENG Boming<sup>2</sup>, Mr. ZHANG Wei (張煒)<sup>2</sup>, Mr. CHEN Dong<sup>2</sup>, Mr. YANG, Liang Yee Philip<sup>3</sup>, Mr. WU Dawei<sup>3</sup>, Mr. ZHOU Zhonghui<sup>3</sup> and Mr. TEO Siong Seng<sup>3</sup>.*

<sup>1</sup> *Executive director*

<sup>2</sup> *Non-executive director*

<sup>3</sup> *Independent non-executive director*

*\* For identification purpose only*

Stock Code: 601919 Stock Abbreviation: COSCO SHIPPING Announcement No.: Lin 2018-026

Bond Code: 1082151.IB

Bond Abbreviation:10 COSCO MTN1

Bond Code: 1182359.IB

Bond Abbreviation:11 COSCO MTN1

**COSCO SHIPPING Holdings Co., Ltd.\***  
**ANNOUNCEMENT ON CHANGES IN ACCOUNTING**  
**ESTIMATES**

The board of directors of the Company and all members of the board of directors warrant that there are no false representations, misleading statements and material omissions in this announcement, and are severally and jointly responsible for the authenticity, accuracy and completeness of the content herein.

**Important Notice:**

After calculation, the changes in accounting estimates will result in decrease in depreciation expenses of vessels and containers of COSCO SHIPPING Holdings Co., Ltd. (“COSCO SHIPPING”, the “Company”, together with its subsidiaries, collectively the “Group”) for 2018 of RMB41,525,900 and total profit of the Company for 2018 will increase by RMB41,525,900 accordingly.

**I. Overview of the Changes in Accounting Estimates**

- (1) Subject of the changes in accounting estimates: Estimated net residual value of the Group’s vessels and containers.

<b>Type of fixed asset</b>	<b>Estimated net residual value before adjustment (US\$/light displacement ton)</b>	<b>Estimated net residual value after adjustment (US\$/light displacement ton)</b>
Vessels and containers	280 (equivalent to approximately RMB1,772 <sup>1</sup> )	330 (equivalent to approximately RMB2,088 <sup>2</sup> )

<sup>1</sup> Basis of currency translation: US\$1=RMB6.3283, being the central parity of RMB exchange rate as authorized to announce by China Foreign Exchange Trade System on 26 April 2018

<sup>2</sup> Basis of currency translation: Same as “1” above.

- (2) Reason for the changes in accounting estimates: According to the relevant requirements of the Accounting Standards for Business Enterprises No. 4—Fixed Assets, an enterprise shall review the estimated useful life, net residual value and depreciation method of its fixed assets at the end of each accounting year. If the estimated useful life, net residual value and depreciation method of fixed assets are different with those as previously estimated, adjustments shall be made accordingly. The estimated net residual value of vessels and containers has been determined at the estimated price of steel scrap and the relevant adjustments have been made to the net residual value of the Group’s vessels and containers with reference to the average price of steel scraps from 2000TEU vessels in the international market in the latest three years.
- (3) Effective date of the changes in accounting estimates: 1 January 2018.

The changes in accounting estimates have been approved at the 10th meeting of the 5th session of the board of directors of the Company and the 6th meeting of the 5th session of the supervisory committee of the Company. Please refer to the Announcements in relation to Resolutions of the 10th Meeting of the 5th Session of the Board of Directors of COSCO SHIPPING (Announcement No. Lin 2018-024) and Resolutions of the 6th Meeting of the 5th Session of the Supervisory Committee of COSCO SHIPPING (Announcement No. Lin 2018-025) for details.

## **II. Effect of the Changes in Accounting Estimates on the Company**

According to the relevant requirements of the Accounting Standards for Business Enterprises No. 28—Changes of Accounting Policies and Accounting Estimates and Error Correction, no retrospective adjustment will be made in respect of the changes in accounting estimates. Therefore, they will not affect the financial statements of the Company that have been disclosed prior to 1 January 2018. After calculation, the changes in accounting estimates will result in decrease in depreciation expenses of vessels and containers of the Company for 2018 of RMB41,525,900 and total profit of the Company for 2018 will increase by RMB41,525,900 accordingly.

## **III. Conclusive Opinions of the Independent Directors, the Supervisory Committee and Accounting Firm**

Opinions of the independent directors of the Company: The changes in accounting estimates can reflect the financial condition and results of operation of the Company more properly and provide more reliable and relevant accounting information. The decision-making procedures for the changes in

accounting estimates are in compliance with the requirements of the relevant regulations and the Articles of Association without prejudice to the interests of the Company and minority shareholders. Therefore, the changes in accounting estimates have been approved.

Opinions of the supervisory committee of the Company: Adjustments to the estimated net residual value of the Group's vessels and containers with reference to the average price of steel scraps from 2000TEU vessels in the international market in the latest three years can reflect the financial condition and results of operation of the Company more properly and provide more reliable and relevant accounting information and are in line with the Company's actual condition and in compliance with the relevant requirements of the Accounting Standards for Business Enterprises. The decision-making procedures are in compliance with the requirements of the relevant laws and regulations without prejudice to the interests of the shareholders and the Company. Therefore, the changes in accounting estimates have been approved.

Ruihua Certified Public Accountants (SGP) audited the Special Explanations on the Changes in Accounting Estimates of COSCO SHIPPING Holdings Co., Ltd. for 2018 (the "Special Explanations") according to the relevant requirements of the Auditing Standards for Certified Public Accountants of China No. 1321—Auditing of Accounting Estimates (Including Accounting Estimate on Fair Value) and Relevant Disclosure) and no non-compliance with the relevant requirements of the Accounting Standards for Business Enterprises in all material aspects or material non-reasonableness of COSCO SHIPPING in 2018 was identified in relation to the adjusted depreciation policy for fixed assets, namely vessels and containers, and the assumption of change in depreciation calculated as mentioned in the Special Explanations.

According to the relevant requirements of the Rules on Disclosure for Debt Financing Instruments of Non-financial Enterprises in the Inter-bank Bond Market, the Company confirms that the changes in accounting estimates will not have material effect on the production and operation, financial condition and solvency of the Company and investors' judgements on the value and risks for investment in debt financing instruments. The Company warrants the authenticity, accuracy, completeness and timeliness of the information disclosed and will perform its obligations to disclose the relevant subsequent information according to the requirements of the relevant self-regulation rules of the inter-bank bond market.

#### **IV. Attachments to the Announcement available online**

1. Explanations of the Board of Directors of COSCO SHIPPING on the Changes in Accounting Estimates of the Estimated Net Residual Value of the Company's Vessels and Containers
2. Independent Opinions of the Independent Directors of COSCO SHIPPING on the Changes in Accounting Estimates of the Estimated Net Residual Value of the Company's Vessels and Containers
3. Explanations of the Supervisory Committee of COSCO SHIPPING on the Changes in Accounting Estimates of the Estimated Net Residual Value of the Company's Vessels and Containers
4. Audit Report from Ruihua Certified Public Accountants (SGP) on the Special Explanations on the Changes in Accounting Estimates of COSCO SHIPPING Holdings Co., Ltd. for 2018 (Rui Hua He Zi [2018] No. 02170003)

Announcement is hereby made.

COSCO SHIPPING Holdings Co., Ltd.  
27 April 2018

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