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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)**

**POSITIVE PROFIT ALERT**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under 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 six months ended 30 June 2019, the Group expects to record a net profit attributable to the equity holders of the Company for the six months ended 30 June 2019 in the range of RMB440 million to RMB500 million (equivalent to approximately HK\$500 million to HK\$570 million), as compared to a net loss attributable to the equity holders of the Company of approximately RMB237 million (equivalent to approximately HK\$269 million) for the same period of 2018.

**Shareholders and potential investors should exercise caution when dealing in the securities of the Company and read carefully the announcement of the interim results of the Group for the six months ended 30 June 2019, which is expected to be published in August 2019.**

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 the Inside Information Provisions (as defined under the Listing Rules) under 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 six months ended 30 June 2019, the Group expects to record a net profit attributable to the equity holders of the Company for the six months ended 30 June 2019 in the range of RMB440 million to RMB500 million (equivalent to approximately HK\$500 million to HK\$570 million), as compared to a net loss attributable to the equity holders of the Company of approximately RMB237 million (equivalent to approximately HK\$269 million) for the same period of 2018.

Based on the information currently available, the expected turnaround from loss to profit for the six months ended 30 June 2019 was mainly attributable to the following factors:

- (a) during the first half of 2019, the demand and supply dynamics of the international tanker market improved amid the gradual increase in global oil consumption and the crude oil imports of the People’s Republic of China (the “**PRC**”) reached approximately 244 million metric tons with a year-on-year growth rate of 8.8%;
- (b) despite a high compliance rate of production cuts among the member countries of the Organization of the Petroleum Exporting Countries (the “**OPEC**”), the United States increased its crude oil exports by approximately 1.04 million barrels per day, contributing to larger cargo volumes and longer voyages across the market, which significantly offset the impact of the output cuts of the OPEC and fleet growth;
- (c) the freight rates showed a downward trend from the highs in the first half of 2019 and experienced volatility due to multiple geopolitical events, but were in general above the rates in the first half of 2018; and the average time charter equivalent (“**TCE**”) recorded by TD3C (Middle East Gulf to China) route for very large crude carrier was approximately USD20,360 per day for the first half of 2019, representing a year-on-year growth of approximately 136%, while TCE on other typical routes increased by approximately 60% to 290%; and
- (d) as at 30 June 2019, 30 liquefied natural gas carriers invested by the Group were in operation, including 8 additional vessels compared to 30 June 2018, which substantially contributed to earnings of the Group.

The Company is still in the process of finalizing the consolidated results of the Group for the six months ended 30 June 2019. 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 six months ended 30 June 2019 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 six months ended 30 June 2019 may differ from that disclosed in this announcement. Further details of the performance of the Group will be disclosed in the announcement of the interim results of the Group for the six months ended 30 June 2019.

**Shareholders and potential investors should exercise caution when dealing in the securities of the Company and read carefully the announcement of the interim results of the Group for the six months ended 30 June 2019, which is expected to be published in August 2019.**

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

Shanghai, the PRC  
18 July 2019

*For the purposes 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 RMB0.88. 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. Liu Hanbo and Mr. Zhu Maijin as executive Directors, Mr. Feng Boming, Mr. Zhang Wei and Ms. Lin Honghua as non-executive Directors, Mr. Ruan Yongping, Mr. Ip Sing Chi, Mr. Rui Meng and Mr. Teo Siong Seng as independent non-executive Directors.*