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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)

First Quarterly Report of 2020

SUMMARY

This Report for the three months ended 31 March 2020 of the Group has been prepared in accordance with the regulations on Disclosure of Information in Quarterly Reports for Listed Companies issued by the China Securities Regulatory Commission. This Report is published simultaneously in Shanghai and Hong Kong. All financial information set out in this Report is unaudited and prepared in accordance with the CAS.

This announcement is made pursuant to Rule 13.09(2)(a) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

§1 IMPORTANT

- 1.1 This first quarterly report (the “**Report**”) for the three months ended 31 March 2020 (the “**Reporting Period**”) of COSCO SHIPPING Energy Transportation Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) has been prepared in accordance with the regulations on Disclosure of Information in Quarterly Reports for Listed Companies issued by the China Securities Regulatory Commission. The Report is published simultaneously in Shanghai of the People's Republic of China (the “**PRC**”) and the Hong Kong Special Administrative Region (“**Hong Kong**”). All financial information set out in the Report is unaudited and prepared in accordance with the Accounting Standards for Business Enterprises in the PRC (the “**CAS**”).

§2 PARTICULARS OF THE COMPANY

2.1 Principal financial data and statistics highlights

Item	As at 31 March 2020	As at 31 December 2019	Increase/ Decrease (%)
Total assets (<i>RMB</i>)	72,572,175,199.90	65,841,861,904.73	10.22
Net assets attributable to shareholders of the Company (<i>RMB</i>)	33,864,200,526.59	28,124,735,236.79	20.41
	For the three months ended 31 March 2020	For the three months ended 31 March 2019	Increase/ Decrease (%)
Net cash flow from operating activities (<i>RMB</i>)	278,915,745.01	1,507,917,545.17	-81.50
	For the three months ended 31 March 2020	For the three months ended 31 March 2019	Increase/ Decrease (%)
Revenue from operation (<i>RMB</i>)	4,068,168,831.41	3,847,709,571.87	5.73
Net profit attributable to shareholders of the Company (<i>RMB</i>)	628,874,194.09	428,082,373.67	46.90
Net profit attributable to shareholders of the Company excluding non- recurring profit and loss (<i>RMB</i>)	628,339,716.90	425,784,375.77	47.57
Rate of returns on net assets (%) (<i>weighted average</i>)	2.21	1.52	Increase by 0.69 percentage points
Basic earnings per share (<i>RMB</i>)	0.1560	0.1062	46.89
Diluted earnings per share (<i>RMB</i>)	0.1560	0.1062	46.89

Non-recurring profit and loss

Items	For the three months ended 31 March 2020 Amount (RMB)
Profit or Loss on disposal of non-current assets	1,055,041.90
Government subsidies that are included in the current profit and loss, but are closely related to the Company's normal business operations, except for government subsidies that meet national policy requirements and are continuously enjoyed by a fixed amount or amount according to a certain standard	62,066.63
Other non-operating revenue and expenses	125,829.37
Minority interests effect (after tax)	-397,726.23
Income tax effect	-310,734.48
Total	534,477.19

2.2 Total number of shareholders, the shareholding of the top 10 shareholders and shareholding of the top 10 shareholders without any selling restrictions as at the end of the Reporting Period

Total number of shareholders 86,017

Name of shareholders (Full Name)	Top 10 shareholders			Number of shares subject to pledge or lock up	Type of shareholders
	Number of shares	Shareholding (%)	Number of shares with selling restrictions		
China Shipping Group Company Limited ^{*(1)} (中國海運集團有限公司)	1,536,924,595	32.27	0	Nil	Stated-owned entity
HKSCC NOMINEES LIMITED ⁽²⁾	1,285,404,978	26.99	0	Unknown	Offshore entity
China COSCO SHIPPING Corporation Limited ^{*(1)} (中國遠洋海運集團有限公司)	601,719,197	12.63	601,719,197	Nil	Stated-owned entity
Central Huijin Assets Management Company Ltd.* (中央匯金資產管理有限責任公司)	92,709,700	1.95	0	Nil	Stated-owned entity
Dalian Shipbuilding Industry Group Co., Ltd. ^{*(3)} (大連船舶重工集團有限公司)	85,959,885	1.80	85,959,885	Nil	Stated-owned entity

China Construction Bank Co., Ltd. – Zhongou New Blue Chip Flexible Allocation of Hybrid Securities Investment Fund* (中國建設銀行股份有限公司—中歐新藍籌靈活配置混合型證券投資基金)	43,989,647	0.92	0	Nil	Others
Hudong Zhonghua Shipbuilding (Group) Co., Ltd.* ⁽³⁾ (滬東中華造船(集團)有限公司)	42,979,942	0.90	42,979,942	Nil	Stated-owned entity
Hong Kong Securities Clearing Company Limited	36,570,329	0.77	0	Nil	Offshore entity
China Securities Fiance Co., Ltd.* (中國證券金融股份有限公司)	31,356,641	0.66	0	Nil	Stated-owned entity
Beijing Panfeng Investment Management Partnerships (Limited Partnership) – Panfeng Value Private Security Investment Fund* (北京磐豐投資管理合夥企業(有限合夥)—磐豐價值私募證券投資基金)	30,280,717	0.64	0	Nil	Others

Top ten holders of shares in circulation without any selling restrictions⁽⁴⁾

Name of Shareholders (full name)	Number of shares in circulation without any selling restrictions as at the end of the Reporting Period	Type of shares
China Shipping Group Company Limited* ⁽¹⁾	1,536,924,595	RMB ordinary shares
HKSCC NOMINEES LIMITED ⁽²⁾	1,285,404,978	Overseas listed foreign shares
Central Huijin Assets Management Company Ltd.*	92,709,700	RMB ordinary shares
China Construction Bank Co., Ltd. – Zhongou New Blue Chip Flexible Allocation of Hybrid Securities Investment Fund*	43,989,647	RMB ordinary shares
Hong Kong Securities Clearing Company Limited	36,570,329	RMB ordinary shares
China Securities Fiance Co., Ltd.*	31,356,641	RMB ordinary shares
Beijing Panfeng Investment Management Partnerships (Limited Partnership) – Panfeng Value Private Security Investment Fund*	30,280,717	RMB ordinary shares
Harvest Fund – Agricultural Bank of China – Harvest CSI Financial Asset Management Plan* (嘉實基金－農業銀行－嘉實中證金 融資產管理計劃)	24,879,500	RMB ordinary shares
GF Fund – Agricultural Bank of China – GF CSI Financial Asset Management Plan* (廣發基金－農業銀行－廣發中證金 融資產管理計劃)	24,879,500	RMB ordinary shares
Zhongou Fund – Agricultural Bank of China – Zhongou CSI Financial Asset Management Plan* (中歐基金－農業銀行－中歐中證金 融資產管理計劃)	24,879,500	RMB ordinary shares

Notes:

- (1) As at 31 March 2020, China Shipping Group Company Limited* (“**China Shipping**”) and its subsidiaries held 7,000,000 A shares of the Company through CICC-CCB-Zhongjin Ruihe collective asset management schemes* (中金公司 – 建設銀行 – 中金瑞和集合資產管理計劃), held 2,065,494 A shares of the Company through Guotai Junan securities asset management-Industrial Bank – Guotai Junan Junxiang Xinli No.6 collective asset management schemes* (國泰君安證券資管 – 興業銀行 – 國泰君安君享新利六號集合資產管理計劃) and held 8,641,504 a Shares of the Company through AEGON-INDUSTRIAL Fund-Bank of Shanghai-China Shipping (Group) Company* (興業全球基金 – 上海銀行 – 中國海運(集團)總公司). Therefore, China Shipping and its subsidiaries aggregately held 1,554,631,593 A shares of the Company as at the end of the Reporting Period, representing 38.56% of the total issued share capital of the Company. As at 31 March 2020, China COSCO SHIPPING Corporation Limited* (“**COSCO SHIPPING**”) directly holds 601,719,197 a Shares of the Company. COSCO SHIPPING is the sole shareholder of China Shipping and therefore, COSCO SHIPPING, by itself and through its subsidiaries, is interested in 2,156,350,790 A shares of the Company in aggregate, representing approximately 45.28% of the total issued share capital of the Company as at 31 March 2020.
- (2) HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司) holds H shares of the Company on behalf of customers of various securities firms in Hong Kong and other CCASS participants.
- (3) Dalian Shipbuilding Industry Group Co., Ltd.* (大連船舶重工集團有限公司) and Hudong Zhonghua Shipbuilding (Group) Co., Ltd.* (滬東中華造船(集團)有限公司) are both under the control of China State Shipbuilding Corporation Limited* (中國船舶集團有限公司).
- (4) Except the above, it is unknown whether concerted action relationship exist among the other shareholders.

§3 SIGNIFICANT EVENTS

3.1 Significant changes in the principal items and highlights in the financial statements of the Company during the Reporting Period and the reasons

Summary of analysis on the Company's operating activities in the first quarter of 2020

During the Reporting Period, the global oil transportation market overall went through improving prosperity and fluctuated dramatically. Oil demand fell by 2.5 million barrels/day (mb/d) in the first quarter due to the impact of the coronavirus epidemic on the global economy. However, at the beginning of March, major oil-producing countries announced substantial increases in production. As a result, oil prices plunged, crude oil contango deepened, the demand for oil storage increased, and thus tanker demand increased significantly. In terms of tanker supply, in the first quarter of 2020, 13 Very Large Crude Carriers (“VLCC”) were delivered, 3 new orders were placed, while no VLCC was demolished. However, the strong demand for oil tankers quickly absorbed the effective tanker supply, which caused the freight rates to quickly go up and stayed at a high level. Between January and March 2020, the VLCC Middle East – Far East route saw an average daily earning of approximately USD74,869, representing an approximately 168% growth, as compared to USD27,948 per day in the corresponding period of last year.

During the Reporting Period, the Group achieved a tanker utilization of 1,454.80 million tonne-days with a 15.8% year-on-year decrease, a transportation volume of 38.79 million tonnes with a 1.6% year-on-year decrease and a turnover of 123.8 billion tonne-nautical miles with a year-on-year decrease of 9.0%.

In terms of Liquefied Natural Gas (“LNG”) transportation, the Group had one LNG carrier delivered in the first quarter of 2020. As at 31 March 2020, the Group had 36 operating LNG vessels with an aggregate of 6.07 million cubic meters, which represents 7 additional vessels compared to the end of March last year, realizing a pre-tax income of RMB222 million in the LNG transportation segment and thus a year-on-year growth of 61.4%.

During the Reporting Period, the Group achieved operating revenue of RMB4.068 billion, operating expense of RMB3.072 billion, total profit of RMB763 million, net profit of RMB675 million and net profit attributable to equity holders of the Company of RMB629 million with year-on-year growth of 5.7%, 5.6%, 40.8%, 34.5% and 46.9% respectively.

Significant changes in the principal items and highlights in the financial statements of the Company during the Reporting Period and the reasons

Unit: RMB

Balance Sheet Item	2020.03.31	2019.12.31	Change (%)	Reason for Significant Changes
Cash and cash equivalents	9,063,872,584.25	3,920,360,679.88	131.20	Note 1
Accounts receivable	1,374,374,377.94	936,474,805.16	46.76	Note 2
Inventory	1,016,197,209.41	774,260,267.58	31.25	Note 3
Contract assets	986,060,503.58	469,613,549.57	109.97	Note 4
Short-term borrowings	7,047,961,379.40	5,130,004,114.66	37.39	Note 5
Staff remuneration payable	174,512,010.57	358,892,931.98	-51.37	Note 6
Other non-current liabilities	896,756,959.23	631,235,015.32	42.06	Note 7
Paid in capital (or share capital)	4,762,691,885.00	4,032,032,861.00	18.12	Note 8
Capital reserve	11,921,522,875.72	7,571,797,967.14	57.45	Note 9

Notes:

1. Cash and cash equivalents increased by RMB5,144 million, or 131.20%, as compared to the beginning of the year, mainly due to the receipt of raised proceeds from the non-public issuance of shares.
2. Accounts receivable increased by RMB438 million, or 46.76%, as compared to the beginning of the year, mainly because freight rates increased and stayed high in tanker freight market during the Reporting Period, which resulted in the periodic increase of the balance of trade receivables.
3. Inventory increased by RMB242 million, or 31.25%, as compared to the beginning of the year, mainly because the change of operation modes and conditions of some vessels which led to the increase of bunker fuel storage.
4. Contract assets increased by RMB516 million, or 109.97%, as compared to the beginning of the year, mainly due to an increase in the freight rates in the tanker transportation market during the Reporting Period, which resulted in an increase in the freight revenue for voyages in progress at the end of the period.
5. Short-term borrowings increased RMB1.918 billion, or 37.39%, as compared to the beginning of the year, mainly because the Company obtained short-term working capital loans at the end of the Reporting Period to repay its working capital loans due in April.
6. Staff remuneration payable decreased by RMB184 million, or 51.37%, as compared to the beginning of the year, mainly due to payment of remuneration during the Reporting Period that was provided by the end of 2019.

7. Other non-current liabilities increased by RMB266 million, or 42.06%, as compared to the beginning of the year, mainly due to a decrease in the fair value of interest rate swap agreements.
8. Paid in capital (or share capital) increased by RMB731 million, or 18.12%, as compared to the beginning of the year, primarily due to the non-public issuance of shares during the Reporting Period.
9. Capital reserve increased by RMB4.35 billion, or 57.45%, as compared to the beginning of the year, primarily due to the non-public issuance of shares during the Reporting Period.

Unit: RMB

Income Statement Items	January to March 2020	January to March 2019	Change (%)	Reason for Significant Changes
Operating revenue	4,068,168,831.41	3,847,709,571.87	5.73	Note 10
Operating expense	3,071,614,254.47	2,907,502,651.44	5.64	Note 11
Finance expense	310,267,331.23	380,317,684.03	-18.42	Note 12
Investment income	235,224,086.91	151,644,119.69	55.12	Note 13
Operating profit	761,497,992.47	539,007,758.55	41.28	Note 14

Notes:

10. Operating revenue increased by RMB220 million year on year, or 5.73%, mainly due to the increase in freight rates in the tanker market which stayed strong during the Reporting Period.
11. Operating expense had a year-on-year increase of RMB164 million, or 5.64%, mainly due to an increase in fuel cost resulted from the use of low-sulfur fuel oil and an increase in charter cost during the Reporting Period.
12. Finance expense decreased by RMB70 million year on year, or 18.42%, mainly because with the impact of interest rate cuts during the Reporting Period, the decline in floating interest rates on U.S. dollar loans led to a year-on-year decrease in interest expenses, and changes in the exchange rate of the U.S. dollar caused a decrease in exchange losses.
13. Investment income increased by RMB84 million, or 55.12% year on year, primarily due to an increase in profits from the Group's associates and joint ventures during the Reporting Period.
14. Operating profit increased RMB222 million, or 41.28% year on year, mainly due to the increase in tanker freight rates which also stayed high, the increase in profitability and an increase in investment income from the Group's associates and joint ventures recognised during the Reporting Period.

Unit: RMB

Cash Flow Statement Items	For the first quarter of 2020	For the first quarter of 2019	Change (%)	Reason for Significant Changes
Net cash generated from operating activities	278,915,745.01	1,507,917,545.17	-81.50	Note15
Net cash generated from investing activities	-682,618,995.43	-58,319,292.24	-1070.49	Note16
Net cash generated from financing activities	5,510,255,296.94	-732,446,109.56	852.31	Note17

Notes:

15. Net cash generated from operating activities decreased by RMB1.229 billion, or 81.50% as compared to the same period of last year, mainly because operating fleet of COSCO SHIPPING Tanker (Dalian) Co., Ltd.* (大連中遠海運油品運輸有限公司) (“**Dalian Tanker**”), a subsidiary of the Company, was restricted in January 2020 and those vessels had voyages in progress upon removal of the restriction, so that certain freight payments were not yet received at the end of the Reporting Period, resulting in a decrease in operating cash flows during the Reporting Period; there was also an increase in cash expenses for operating activities such as fuel oil expenses, crew fees and taxes.
16. Net cash generated from investing activities decreased by RMB624 million, or 1070.49% as compared to the same period of last year, mainly due to an increase in the installments paid for vessels under construction during the Reporting Period.
17. Net cash generated from financing activities increased by RMB6.243 billion, or 852.31% as compared to the same period of last year, mainly due to the non-public issuance of shares and an increase in bank borrowings during the Reporting Period.

3.2 Progress of significant events and effects thereof and analysis on solutions

- (1) In March 2020, the Company completed the non-public issuance. The non-public issuance targeted at a total of 3 subscribers, namely, COSCO SHIPPING, Dalian Shipbuilding Industry Group Co., Ltd* (大連船舶重工集團有限公司) and Hudong Zhonghua Shipbuilding (Group) Co., Ltd. (滬東中華造船(集團)有限公司). The number of the shares they subscribed was 601,719,197 and 85,959,885 and 42,979,942 respectively and the corresponding lock-up period was 36 months, 12 months and 12 months respectively.

On 10 March 2020, the subscription funds from the subscribers were transferred to the special account for raised funds designated by the Company. Baker Tilly China Certified Public Accountants (Special General Partnership) verified the transfer of the funds raised from the issuance to the issuer's account and issued the Capital Verification Report No. [2020]12332. According to the report, as at 10 March 2020, the actual number of RMB ordinary shares issued in the non-public issuance of A shares of the Company was 730,659,024, the total amount of funds raised was RMB5,099,999,987.52 and the actual net funds raised were RMB5,076,006,105.81. As at 10 March 2020, the registered capital of the Company after the issuance was RMB4,762,691,885.00, and the share capital amounted to RMB4,762,691,885.00.

COSCO SHIPPING, an indirect controlling Shareholder of the Company, participated in the subscription and subscribed for 601,719,197 shares, and the total number of shares directly and indirectly held by it increased from 1,554,631,593 to 2,156,350,790, with the percentage of shareholding increased from 38.56% before the issuance to 45.28% after the issuance.

The Company completed the procedures for registration and custody relating to the addition of shares arising from the issuance at China Securities Depository and Clearing Company Limited Shanghai Branch on 17 March 2020.

- (2) On September 25, 2019 (US Eastern Time), Dalian Tanker, a direct wholly-owned subsidiary of the Company, was added to the Specially Designated Nationals and Blocked Persons List by the Office of Foreign Assets Control of the US Department of the Treasury. Dalian Tanker was removed from the Specially Designated Nationals and Blocked Persons List by the Office of Foreign Assets Control with effect from 31 January 2020 (US Eastern Time).
- (3) In February 2020, completion of a change in shareholder of Pan Cosmos Shipping & Enterprises Co., Limited ("**Pan Cosmos**") has taken place, whereby Dalian Tanker transferred 100% of the equity interests in Pan Cosmos held by it to the Company. The necessary procedures for the change in shareholder of Pan Cosmos have been completed in accordance with the requirements of the relevant laws and regulations of Hong Kong.

Dalian Tanker is a direct wholly-owned subsidiary of the Company. The transfer of 100% of the equity interests in Pan Cosmos originally held by Dalian Tanker to the Company does not constitute a connected transaction or a material asset restructuring respectively. Following completion of this equity transfer, Dalian Tanker no longer holds any equity interest in Pan Cosmos.

3.3 Overdue and outstanding undertakings during the Reporting Period

Not applicable

3.4 Warning on any potential loss in accumulated net profit for the period from the beginning of the year to the end of the next Reporting Period or any material change from the corresponding period of last year and the reason thereof

Not applicable

§4 APPENDIX

Consolidated Balance Sheet

Items	31 March 2020 <i>RMB</i>	31 December 2019 <i>RMB</i>
Current assets		
Cash and cash equivalents	9,063,872,584.25	3,920,360,679.88
Notes receivable	15,330,858.00	1,207,000.00
Accounts receivable	1,374,374,377.94	936,474,805.16
Prepayments	295,137,287.31	288,293,824.71
Other receivables	291,198,511.93	352,951,301.09
Including: Interests receivable	5,679,902.25	1,312,774.90
Dividends receivable	28,872,747.75	28,872,747.75
Inventory	1,016,197,209.41	774,260,267.58
Contract assets	986,060,503.58	469,613,549.57
Non-current assets maturing within one year	30,844,322.69	27,786,431.46
Other current assets	124,245,778.86	156,685,118.15
Total current assets	13,197,261,433.97	6,927,632,977.60
Non-current assets		
Long-term receivables	1,242,381,737.41	1,230,928,642.96
Long-term equity investment	5,745,480,409.94	5,542,011,613.39
Investment in other equity instruments	342,154,605.23	396,438,893.61
Investment properties	50,713,701.71	50,713,701.71
Fixed assets	48,143,776,385.12	47,819,902,570.33
Construction in progress	1,389,697,799.24	1,327,075,804.79
Right-of-use assets	2,258,009,555.73	2,342,289,652.68
Intangible assets	72,933,951.48	73,677,843.00
Goodwill	73,324,705.01	73,324,705.01
Long-term deferred expenses	11,873,404.61	12,700,762.68
Deferred income tax asset	44,567,510.45	45,164,736.97
Total non-current assets	59,374,913,765.93	58,914,228,927.13
Total assets	72,572,175,199.90	65,841,861,904.73

Items	31 March 2020 RMB	31 December 2019 RMB
Current liabilities		
Short-term borrowings	7,047,961,379.40	5,130,004,114.66
Notes payable	–	274,027,320.00
Accounts payable	1,651,959,127.35	1,648,285,972.88
Receipts in advance	41,140,861.99	1,724,058.06
Contract liabilities	22,959,962.08	28,703,714.77
Staff remuneration payable	174,512,010.57	358,892,931.98
Taxes payable	104,813,430.34	142,299,752.93
Other payables	800,104,114.30	709,245,447.99
Including: Interests payable	190,795,274.58	162,647,016.69
Dividends payable	123,388.97	17,384,129.53
Non-current liabilities maturing within one year	4,930,795,006.27	4,055,008,815.49
Total current liabilities	14,774,245,892.30	12,348,192,128.76
Non-current liabilities		
Long-term borrowings	15,767,101,145.09	17,325,526,412.90
Bonds payable	2,494,050,988.08	2,493,477,007.40
Lease liabilities	2,076,393,920.39	2,145,306,396.12
Long-term payables	1,139,758,868.52	1,089,246,991.17
Long-term staff remuneration payable	202,784,991.04	202,784,991.04
Estimated liabilities	10,167,118.50	10,010,847.00
Deferred income tax liabilities	428,423,516.80	428,476,177.36
Other non-current liabilities	896,756,959.23	631,235,015.32
Total non-current liabilities	23,015,437,507.65	24,326,063,838.31
Total liabilities	37,789,683,399.95	36,674,255,967.07
Owners' equity (or shareholders' equity)		
Paid in capital (or share capital)	4,762,691,885.00	4,032,032,861.00
Capital reserve	11,921,522,875.72	7,571,797,967.14
Other comprehensive income	272,534,078.23	264,321,197.83
Specific reserve	28,180,363.62	6,186,080.89
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	14,001,834,977.58	13,372,960,783.49
Total equity attributable to owners of the parent company (or shareholders' equity)	33,864,200,526.59	28,124,735,236.79
Minority interests	918,291,273.36	1,042,870,700.87
Total owners' equity (or shareholders' equity)	34,782,491,799.95	29,167,605,937.66
Total liabilities and owners' equity (or shareholders' equity)	72,572,175,199.90	65,841,861,904.73

Balance Sheet of the Company

Items	31 March 2020 RMB	31 December 2019 RMB
Current assets		
Cash and cash equivalents	4,834,356,276.92	551,353,651.12
Notes receivable	10,000,000.00	–
Accounts receivable	70,635,410.32	7,061,235.11
Prepayments	36,048,389.67	6,948,624.79
Other receivables	2,644,709,719.13	2,670,751,014.18
Including: Interest receivable	80,932,337.60	44,157,877.50
Dividend receivable	90,300,209.34	109,883,679.06
Inventory	41,596,868.01	33,779,975.23
Contractual assets	22,705,923.38	14,607,603.41
Non-current assets maturing within one year	1,069,762,000.00	1,069,762,000.00
Other current assets	65,011,727.92	65,011,727.92
Total current assets	8,794,826,315.35	4,419,275,831.76
Non-current assets		
Long-term equity investment	20,607,728,867.33	20,505,098,093.68
Investment properties	170,421,096.00	170,421,096.00
Fixed assets	1,847,253,877.77	1,866,406,315.81
Construction in progress	1,109,894,564.69	720,748,299.49
Right-of-use assets	931,277.28	931,277.28
Intangible assets	741,233.58	796,313.83
Other non-current assets	5,001,089,000.00	5,000,000,000.00
Total non-current assets	28,738,059,916.65	28,264,401,396.09
Total assets	37,532,886,232.00	32,683,677,227.85
Current liabilities		
Short-term borrowings	2,350,000,000.00	2,450,000,000.00
Notes payable	–	274,027,320.00
Accounts payable	155,109,945.62	63,363,207.30
Staff remuneration payable	65,396,427.06	168,196,683.22
Taxes payable	6,786,881.32	1,674,392.45
Other payables	2,359,111,163.58	2,287,163,697.85
Including: Interests payable	74,791,994.29	43,031,843.60
Non-current liabilities maturing within one year	526,656.54	526,656.54
Total current liabilities	4,936,931,074.12	5,244,951,957.36
Non-current liabilities		
Long-term borrowings	300,000,000.00	300,000,000.00
Bonds payable	2,494,050,988.08	2,493,477,007.40
Long-term staff remuneration payable	8,073,025.98	8,073,025.98
Deferred income tax liabilities	189,122,865.99	189,122,865.99
Total non-current liabilities	2,991,246,880.05	2,990,672,899.37
Total liabilities	7,928,177,954.17	8,235,624,856.73
Owners' equity (or shareholders' equity)		
Paid in capital (or share capital)	4,762,691,885.00	4,032,032,861.00
Capital reserve	12,171,057,724.11	7,821,332,815.53
Other comprehensive income	374,589,549.63	374,589,549.63
Special reserves	506,528.90	702,903.97
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	9,418,426,243.75	9,341,957,894.55
Total owners' equity (or shareholders' equity)	29,604,708,277.83	24,448,052,371.12
Total liabilities and owners' equity (or shareholders' equity)	37,532,886,232.00	32,683,677,227.85

Consolidated Income Statement

Items	January-March 2020 <i>RMB</i>	January-March 2019 <i>RMB</i>
1. Total operating revenue	4,068,168,831.41	3,847,709,571.87
Including: Operating revenue	4,068,168,831.41	3,847,709,571.87
2. Total operating expense	3,553,482,970.78	3,472,479,968.48
Including: Operating expense	3,071,614,254.47	2,907,502,651.44
Business taxes and other surcharges	21,597,424.98	27,555,940.95
Sales expenses	12,348,895.38	15,847,270.51
Administrative expenses	135,361,649.93	141,256,421.55
R & D expenses	2,293,414.79	–
Financial expenses	310,267,331.23	380,317,684.03
including: Interest expenses	324,557,033.06	375,727,626.89
Interest income	27,370,082.87	24,026,496.20
Add: Other gains	11,767,381.15	14,639,396.30
Investment income (“-” for investment loss)	235,224,086.91	151,644,119.69
Including: Investment income from		
associates and joint ventures	235,224,086.91	151,644,119.69
Credit impairment losses (“-” for loss)	-179,336.22	-2,505,360.83
3. Operating profit (“-” for operating loss)	761,497,992.47	539,007,758.55
Add: Non-operating revenue	1,275,218.78	3,262,262.87
Less: Non-operating expenses	32,280.88	522,342.79
4. Total profit (“-” for gross loss)	762,740,930.37	541,747,678.63
Less: Income tax	87,605,705.93	39,809,885.31
5. Net profit (“-” for net loss)	675,135,224.44	501,937,793.32
(1) Classified by sustainability		
a. Net profit from continuing operations		
(“-” for net loss)	675,135,224.44	501,937,793.32
b. Net profit from discontinued operation		
(“-” for net loss)	–	–
(2) Classified by ownership		
a. Net profit attributable to equity		
holders of company (“-” for net loss)	628,874,194.09	428,082,373.67
b. Net profit attributable to minority		
shareholders	46,261,030.35	73,855,419.65

Items	January-March 2020 RMB	January-March 2019 RMB
6. Other comprehensive income after tax, net	-164,641,235.06	-219,160,350.32
Other comprehensive income after tax attributable to owners of the parent company, net	8,212,880.40	-189,545,772.41
(1) Other comprehensive income that may not be subsequently reclassified into profit or loss	-20,777,031.53	34,667,312.46
a. Changes in fair value of other equity instruments investment	-20,777,031.53	34,667,312.46
(2) Other comprehensive income that will be subsequently reclassified into profit or loss	28,989,911.93	-224,213,084.87
a. Other comprehensive income that will be subsequently reclassified into profit or loss under equity method	-1,943,115.55	-28,823,212.82
b. Reserves for cash flows hedges	-102,367,930.74	-44,264,508.38
c. Exchange difference on translation of financial statements in foreign currency	133,300,958.22	-151,125,363.67
Other comprehensive income after tax attributable to minority shareholders, net	-172,854,115.46	-29,614,577.91
7. Total comprehensive income	510,493,989.38	282,777,443.00
(1) Total comprehensive income attributable to owners of parent company	637,087,074.49	238,536,601.26
(2) Total comprehensive income attributable to minority shareholders	-126,593,085.11	44,240,841.74
8. Earnings per share		
(1) Basic earnings per share (RMB per share)	0.1560	0.1062
(2) Diluted earnings per share (RMB per share)	0.1560	0.1062

Income Statement of the Company

Items	January-March 2020 <i>RMB</i>	January-March 2019 <i>RMB</i>
1. Operating revenue	179,900,247.19	18,280,637.67
Less: Operating expense	148,317,796.09	12,249,100.09
Business taxes and other surcharges	844,162.10	3,130,558.00
Sales expenses	8,576,485.67	6,283,133.09
Administrative expenses	71,625,738.27	40,492,652.88
R & D expense	2,293,414.79	—
Financial expenses	66,629,899.10	43,027,699.97
Including: Interests expenses	56,632,298.04	65,068,141.29
Interests income	6,245,681.13	2,265,630.21
Add: Other gains	—	1,160,000.00
Investment income (“-” for investment loss)	194,795,598.03	110,714,491.57
Including: Investment income from associates and joint ventures	118,910,271.88	16,792,508.50
2. Operating profit (“-” for operating loss)	76,408,349.20	24,971,985.21
Add: Non-operating revenue	60,000.00	—
3. Total profit (“-” for gross loss)	76,468,349.20	24,971,985.21
Less: Income tax	—	—
4. Net profit (“-” for net loss)	76,468,349.20	24,971,985.21
(1) Net profit from continuing operations (“-” for net loss)	76,468,349.20	24,971,985.21
(2) Net profit from discontinued operation (“-” for net loss)	—	—
5. Other comprehensive income after tax, net		
6. Total comprehensive income	76,468,349.20	24,971,985.21
7. Earnings per share		
(1) Basic earnings per share (RMB per share)	0.0190	0.0062
(2) Diluted earnings per share (RMB per share)	0.0190	0.0062

Consolidated Cash Flow Statement

Items	January-March 2020 RMB	January-March 2019 RMB
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	3,236,721,933.56	3,529,276,510.00
Cash received from tax rebates	30,826,911.37	17,256,804.25
Cash received from other related operating activities	285,511,107.45	275,288,319.23
Subtotal of cash inflow from operating activities	3,553,059,952.38	3,821,821,633.48
Cash paid for goods and services	2,342,426,346.72	1,709,046,987.50
Cash paid to or on behalf of employees	559,090,010.07	413,726,109.66
Taxes paid	153,602,180.67	67,042,006.47
Other cash paid relating to operating activities	219,025,669.91	124,088,984.68
Subtotal of cash outflow from operating activities	3,274,144,207.37	2,313,904,088.31
Net cash flows from operating activities	278,915,745.01	1,507,917,545.17
2. Cash flows from investing activities		
Cash received from disposal of investments	8,681,632.63	13,376,795.81
Cash received from gains in investments	28,506,054.50	6,106,740.69
Net cash inflow from disposal of fixed, intangible and other long-term assets	11,813,347.53	300.00
Subtotal of cash inflow from investing activities	49,001,034.66	19,483,836.50
Cash paid for purchase of fixed, intangible and other long-term assets	731,620,030.09	63,728,914.26
Cash paid for investment	—	14,074,214.48
Subtotal of cash outflow from investing activities	731,620,030.09	77,803,128.74
Net cash flows from investing activities	-682,618,995.43	-58,319,292.24
3. Cash flows from financing activities		
Cash received from issuance of common shares	5,089,199,987.57	—
Cash received from borrowings	2,105,385,040.36	1,021,025,269.86
Subtotal of cash inflow from financing activities	7,194,585,027.93	1,021,025,269.86
Cash paid for payment of debts	1,237,235,562.91	1,312,415,198.15
Cash paid for distribution of dividends or profits and for interest expenses	269,562,686.89	294,834,264.13
Cash paid for other related financing activities	177,531,481.19	146,221,917.14
Subtotal of cash outflow from financing activities	1,684,329,730.99	1,753,471,379.42
Net cash flows from financing activities	5,510,255,296.94	-732,446,109.56
4. Effect on cash and cash equivalents from change of exchange rates	36,959,857.85	-28,877,915.66
5. Net increase in cash and cash equivalents	5,143,511,904.37	688,274,227.71
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	3,920,360,679.88	3,468,782,121.73
6. Balance of cash and cash equivalents at the end of the Reporting Period	9,063,872,584.25	4,157,056,349.44

Cash Flow Statement of the Company

Items	January-March 2020 RMB	January-March 2019 RMB
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	105,022,376.25	7,459,068.47
Cash received from tax rebates	7,937,521.64	—
Cash received from other related operating activities	1,025,606,690.86	26,379,405.13
Subtotal of cash inflow from operating activities	1,138,566,588.75	33,838,473.60
Cash paid for goods and services	50,836,582.93	9,681,418.58
Cash paid to or on behalf of employees	163,658,297.49	73,780,944.06
Taxes paid	299,507.67	164,489.04
Other cash paid relating to operating activities	262,027,116.83	26,943,426.76
Subtotal of cash outflow from operating activities	476,821,504.92	110,570,278.44
Net cash flows from operating activities	661,745,083.83	-76,731,804.84
2. Cash flows from investing activities		
Cash received from gains in investments	82,057,175.15	46,605,838.33
Subtotal of cash inflow from investing activities	82,057,175.15	46,605,838.33
Cash paid for purchase of fixed, intangible and other long-term assets	673,658,839.87	33,513,569.48
Cash paid for investment	755,577,299.48	10,000,000.00
Subtotal of cash outflow from investing activities	1,429,236,139.35	43,513,569.48
Net cash flows from investing activities	-1,347,178,964.20	3,092,268.85
3. Cash flows from financing activities		
Cash received from issuance of common shares	5,089,199,987.57	—
Cash received from borrowings	—	80,000,000.00
Subtotal of cash inflow from financing activities	5,089,199,987.57	80,000,000.00
Cash paid for payment of debts	100,000,000.00	—
Cash paid for distribution of dividends or profits and for interest expenses	22,901,666.67	14,026,467.78
Other cash payments relating to financing activities	1,396,500.00	529,701.00
Subtotal of cash outflow from financing activities	124,298,166.67	14,556,168.78
Net cash flows from financing activities	4,964,901,820.90	65,443,831.22
4. Effect on cash and cash equivalents from change of exchange rates	3,534,685.27	-396,289.64
5. Net increase in cash and cash equivalents	4,283,002,625.80	-8,591,994.41
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	551,353,651.12	474,633,692.24
6. Balance of cash and cash equivalents at the end of the Reporting Period	4,834,356,276.92	466,041,697.83

This announcement is made pursuant to Rule 13.09(2)(a) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The A shares of the Company are listed on the Shanghai Stock Exchange, and the Shanghai Stock Exchange has required the Company to make an announcement similar to this announcement in Shanghai.

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

Shanghai, the PRC
29 April 2020

As at the date of this announcement, the Board of the Company 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.

* *For identification purposes only*