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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)

Third Quarterly Report of 2020

SUMMARY

This Report for the three months ended 30 September 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 third quarterly report (the “**Report**”) for the three months ended 30 September 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 30 September 2020	As at 31 December 2019	Increase/ Decrease (%)
Total assets (<i>RMB</i>)	69,051,625,058.26	65,841,861,904.73	4.87
Net assets attributable to shareholders of the Company (<i>RMB</i>)	36,038,830,933.42	28,124,735,236.79	28.14
	For the nine months ended 30 September 2020	For the nine months ended 30 September 2019	Increase/ Decrease (%)
Net cash flow from operating activities (<i>RMB</i>)	5,351,245,644.60	3,591,699,475.31	48.99
	For the nine months ended 30 September 2020	For the nine months ended 30 September 2019	Increase/ Decrease (%)
Operating revenue (<i>RMB</i>)	13,286,083,158.08	10,530,777,946.23	26.16
Net profit attributable to shareholders of the Company (<i>RMB</i>)	3,324,223,270.73	582,803,349.78	470.39
Net profit attributable to shareholders of the Company excluding non-recurring profit and loss (<i>RMB</i>)	3,354,894,959.43	594,947,652.71	463.90
Rate of returns on net assets (%) (<i>weighted average</i>)	10.09	2.05	Increase by 8.04 percentage points
Basic earnings per share (<i>RMB</i>)	0.7356	0.1445	409.07
Diluted earnings per share (<i>RMB</i>)	0.7353	0.1445	408.86

Non-recurring profit and loss

Items	For the three months ended 30 September 2020 <i>Amount (RMB)</i>	For the nine months ended 30 September 2020 <i>Amount (RMB)</i>
Profit or loss on disposal of non-current assets	5,023,149.45	-39,429,886.00
Capital occupation fees charged to non-financial corporations that are included in the current profit and loss	33,337.52	4,964,400.05
Gains and losses arising from changes in the fair value of investment properties measured subsequently at fair value		-3,414,395.00
Other non-operating revenue and expenses	6,327,726.88	62,315.95
Minority interests effect (after tax)	-75,921.83	-2,308,514.96
Income tax effect	-2,846,053.45	9,454,391.26
Total	8,462,238.57	-30,671,688.70

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

Total number of shareholders 90,262

Top 10 shareholders						
Name of shareholders (Full Name)	Number of shares	Shareholding (%)	Number of shares with selling restrictions	Number of shares subject to pledge or lock up	Type of shareholders	
China Shipping Group Company Limited ⁽¹⁾ (中國海運集團有限公司)	1,536,924,595	32.27	0	Nil	State-owned entity	
HKSCC NOMINEES LIMITED ⁽²⁾ China COSCO SHIPPING Corporation Limited ⁽¹⁾ (中國遠洋海運集團有限公司)	1,286,010,928 601,719,197	27.00 12.63	0 601,719,197	Unknown Nil	Offshore entity State-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	State-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	State-owned entity	
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	State-owned entity	
Hong Kong Securities Clearing Company Ltd.	40,507,386	0.85	0	Nil	Offshore 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)	38,912,047	0.82	0	Nil	Others	
China Securities Fiance Co., Ltd.* (中國證券金融股份有限公司)	31,356,641	0.66	0	Nil	State-owned entity	
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	0.52	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* (中國海運集團有限公司)	1,536,924,595	RMB ordinary shares
HKSCC NOMINEES LIMITED	1,286,010,928	Overseas listed foreign shares
Central Huijin Assets Management Company Ltd.* (中央匯金資產管理有限責任公司)	92,709,700	RMB ordinary shares
Hong Kong Securities Clearing Company Limited	40,507,386	RMB ordinary shares
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)	38,912,047	RMB ordinary shares
China Securities Finance Co., Ltd.* (中國證券金融股份有限公司)	31,356,641	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
Industrial Bank Co., Ltd. - Zhongou New Trend Equity Securities Investment Fund* (興業銀行股份有限公司 – 中歐新趨勢股票型證券投資基金(LOF))	23,343,313	RMB ordinary shares

Note:

- (1) As at 30 September 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. As at 30 September 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 30 September 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 parties acting in concert.
- (4) Except for the above, it is unknown whether concerted action relationships exist among the other shareholders.

§3 SIGNIFICANT EVENTS

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

Summary of analysis of the Group's operating activities in the first three quarters of 2020

In the first three quarters of 2020, the slowdown of economic activities eroded global oil demand due to the COVID-19 outbreak; coupled with shifts in the supply policies of oil producing countries, the international tanker market fluctuated towards dramatic prosperity followed by a reversing trend. Global oil consumption in the third quarter of 2020 was approximately 94.17 million barrels/day with a 7.96% year-on-year decrease. As the epidemic continues, recovery in global oil demand lags and drawdown of oil inventories built up in the first half of the year seems to take longer than expected, causing oil trade to decelerate. Since the second quarter, export volume of crude oil from the United States has declined, reducing activity on long-haul oil shipping routes and exerting pressure on the tonne-mile tanker demand. During the first three quarters of 2020, the Very Large Crude Carrier (VLCC) market saw accumulated deliveries of 28 vessels and no demolitions; the proportion of older tankers remained high with approximately 24% of VLCCs hitting above the 15-year-old threshold, leaving potential for improving tonnage supply in the longer term.

Benefiting from the strong market in the first half of the year, time charter equivalent (TCE) on the VLCC TD3C (Middle East-China) route between January and September 2020 averaged approximately USD60,336/day, representing approximately 170% year-on-year growth; average TCE on major routes of other types of tankers increased by approximately 80%-160% year on year.

For the nine months ended 30 September 2020, the Group achieved tanker utilization of 4,790.33 million tonne-days with a 5.04% year-on-year decrease, a shipping volume of 120.87 million tonnes with a 3.13% year-on-year increase, a transportation turnover of 361.4 billion tonne-nautical miles with a 1.59% year-on-year decrease, operating revenue of RMB13.286 billion with a year-on-year increase of 26.16%, operating expense of RMB8.912 billion with a year-on-year increase of 5.28%, and net profit attributable to equity holders of the Company of RMB3.324 million with a year-on-year increase of 470.39%.

Significant changes in the principal items and highlights in the financial statements of the Group during the nine months ended 30 September 2020 and the reasons

Unit: RMB

Balance Sheet Item	30 September 2020	31 December 2019	Change (%)	Reason for Significant Changes
Accounts receivable	1,473,192,929.92	936,474,805.16	57.31	Note ⁽¹⁾
Investment properties	10,484,799.71	50,713,701.71	-79.33	Note ⁽²⁾
Fixed assets	46,528,884,443.43	47,819,902,570.33	-2.70	Note ⁽³⁾
Construction in process	3,129,394,770.71	1,327,075,804.79	135.81	Note ⁽⁴⁾
Intangible assets	47,497,367.10	73,677,843.00	-35.53	Note ⁽⁵⁾
Staff remuneration payable	173,038,546.12	358,892,931.98	-51.79	Note ⁽⁶⁾

Notes:

- (1) Accounts receivable increased by RMB537 million, or 57.31%, as compared to the beginning of the year, mainly due to a year-on-year growth in freight revenue throughout the first nine months of 2020, which resulted in the periodic increase of the balance of trade receivables.
- (2) Investment properties decreased by RMB40 million, or 79.33%, as compared to the beginning of the year, mainly due to the disposal of investment properties to COSCO SHIPPING Investment Dalian Co., Ltd.
- (3) Fixed assets decreased by RMB1.291 billion, or 2.70%, as compared to the beginning of the year, mainly due to provision for depreciation, changes in the foreign exchange rates and reclassification of certain fixed assets into construction in progress as a result of renewal reconstruction during the first nine months of 2020.
- (4) Construction in progress increased by RMB1.802 billion, or 135.81%, as compared to the beginning of the year, mainly due to the installments paid for vessels under construction and reclassification of certain fixed assets into construction in progress as a result of renewal reconstruction during the first nine months of 2020.
- (5) Intangible assets decreased by RMB26 million, or 35.53%, as compared to the beginning of the year, mainly due to provision for amortization and the disposal of assets to COSCO SHIPPING Investment Dalian Co., Ltd.
- (6) Staff remuneration payable decreased by approximately RMB186 million, or 51.79%, as compared to the beginning of the year, mainly due to the payment of staff remuneration during the first nine months of 2020 which was accrued by the end of 2019.

Unit: RMB

Income Statement Item	Nine months	Nine months	Change (%)	Reason for Significant Changes
	ended 30 September 2020	ended 30 September 2019		
Operating revenue	13,286,083,158.08	10,530,777,946.23	26.16	Note ⁽⁷⁾
Operating expenses	8,911,846,810.84	8,464,996,379.62	5.28	Note ⁽⁸⁾
Financial expenses	813,116,320.66	1,124,752,282.96	-27.71	Note ⁽⁹⁾
Investment income	678,629,169.87	519,397,902.21	30.66	Note ⁽¹⁰⁾
Operating profit	3,752,083,031.42	942,075,844.98	298.28	Note ⁽¹¹⁾

Notes:

- ⁽⁷⁾ Operating revenue increased by RMB2.755 billion year on year, or 26.16%, mainly due to an increase in the freight rates of the international oil shipping market during the first nine months of 2020.
- ⁽⁸⁾ Operating expenses increased by RMB447 million year on year, or 5.28%, mainly due to a year-on-year increase in operating fleet, an increase in crew rentals and fuel costs with the usage of low-sulphur fuel oil during the first nine months of 2020.
- ⁽⁹⁾ Financial expenses decreased by RMB312 million year on year, or 27.71%, mainly due to a decrease in interest-bearing liabilities which resulted from repayment of loans and a decrease in LIBOR rates during the first nine months of 2020.
- ⁽¹⁰⁾ Investment income increased by RMB159 million year on year, or 30.66%, mainly due to an increase in profits from associates and joint ventures during the first nine months in 2020.
- ⁽¹¹⁾ Operating profit increased by RMB2.810 billion year on year, or 298.28%, mainly due to an increase in the freight rates of the international oil shipping market, a year-on-year increase in the operating fleet of the Company and the improvement in the flexibility and profitability of operations during the first nine months of 2020.

Unit: RMB

Cash Flow Statement Item	Nine months	Nine months	Change (%)	Reason for Significant Changes
	ended 30 September 2020	ended 30 September 2019		
Net cash generated from operating activities	5,351,245,644.60	3,591,699,475.31	48.99	Note ⁽¹²⁾
Net cash generated from operating activities	-3,133,157,686.28	-309,562,514.57	-912.12	Note ⁽¹³⁾
Net cash generated from operating activities	-218,128,682.52	-3,133,080,819.21	93.04	Note ⁽¹⁴⁾

Notes:

⁽¹²⁾ Net cash generated from operating activities increased by RMB1.760 billion, or 48.99% as compared to the same period of last year, mainly due to an increase in the freight rates of the international oil shipping market and an improvement in the oil tanker operating results during the first nine months of 2020.

⁽¹³⁾ Net cash generated from investing activities decreased by RMB2.823 billion, or 912.12% as compared to the same period of last year, mainly because installments paid for vessels under construction and an increase in the registered capital of COSCO SHIPPING Finance Co., Ltd., an associate of the Company, during the first nine months of 2020.

⁽¹⁴⁾ Net cash generated from financing activities increased by RMB2.915 billion, or 93.04% as compared to the same period of last year, mainly due to capital received from non-public issuance and repayment of bank borrowings during the first nine months of 2020.

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

On 12 June 2020, COSCO Shipping Tanker (Dalian) Co., Ltd.* (大連中遠海運油品運輸有限公司) (“**Dalian Tanker**”) (a wholly-owned subsidiary of the Company) and COSCO SHIPPING Investment Dalian Co., Ltd.* (中遠海運大連投資有限公司) (“**COSCO SHIPPING Investment Dalian**”) entered into four Equity Transfer Agreements, pursuant to which Dalian Tanker has agreed to dispose of, and COSCO SHIPPING Investment Dalian has agreed to acquire: (i) 70% of the equity interests in Shenzhen COSCO Longpeng LPG Transportation Co., Ltd.* (深圳中遠龍鵬液化氣運輸有限公司) (“**Shenzhen Longpeng**”); (ii) 60% of the equity interests in COSCO Shipping Tanker (Dalian) Electronics Co., Ltd.* (大連中遠海運油運電子有限公司) (“**Dalian Electronics**”); (iii) 57.5% of the equity interests in COSCO Shipping Tanker (Dalian) Haven Automation Co., Ltd.* (大連中遠海運油運希雲自動化有限公司) (“**Dalian Haven**”); and (iv) 15% of the equity interests in Da-In Ferry Co., Ltd.* (韓國大仁輪渡有限公司) (“**Da-In Ferry**”), further details of which are set out in the connected transactions announcement of the Company dated 13 June 2020. Shenzhen Longpeng, Dalian Electronics, Dalian Haven and Da-In Ferry have completed the equity transfers at the date of their completion of the change of industrial and commercial registration on 1 July 2020, 15 July 2020, 10 July 2020 and 22 July 2020 respectively.

In August 2020, completion of a change in shareholder of Pan Cosmos Shipping & Enterprises Co., Limited* (寰宇船務企業有限公司) (“**Pan Cosmos**”) has taken place, whereby the Company transferred 100% of the equity interests in Pan Cosmos held by it to COSCO SHIPPING Energy Transportation (Hainan) Co., Ltd.* (海南中遠海運能源運輸有限公司) (“**Hainan Energy**”). 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. Hainan Energy is a wholly-owned subsidiary of the Company. The transfer of 100% of the equity interests in Pan Cosmos originally held by the Company to Hainan Energy does not constitute a connected transaction or a material asset restructuring respectively. The equity transfer will not affect the current profit and loss of the Group.

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

The accumulated net profit for the period from the beginning of the year to the end of the next Reporting Period is estimated to increase substantially. The main reason is that the freight rates for major international tanker types in 2020 are higher than those of the previous year.

§4 APPENDIX

Consolidated Balance Sheet

Items	30 September 2020 RMB	31 December 2019 RMB
Current assets		
Cash and cash equivalents	5,831,720,774.16	3,920,360,679.88
Notes receivable	20,000,000.00	1,207,000.00
Accounts receivable	1,473,192,929.92	936,474,805.16
Prepayments	415,685,599.86	288,293,824.71
Other receivables	495,078,619.73	352,951,301.09
Including: Interests receivable	129,978,079.90	1,312,774.90
Dividends receivable	–	28,872,747.75
Inventory	751,185,443.73	774,260,267.58
Contract assets	405,860,195.79	469,613,549.57
Non-current assets maturing within one year	39,761,200.80	27,786,431.46
Other current assets	104,657,609.80	156,685,118.15
Total current assets	9,537,142,373.79	6,927,632,977.60
Non-current assets		
Long-term receivables	1,274,692,976.97	1,230,928,642.96
Long-term equity investment	6,116,605,075.02	5,542,011,613.39
Other equity investments	382,258,008.06	396,438,893.61
Investment properties	10,484,799.71	50,713,701.71
Fixed assets	46,528,884,443.43	47,819,902,570.33
Construction in progress	3,129,394,770.71	1,327,075,804.79
Right-of-use assets	1,893,475,397.77	2,342,289,652.68
Intangible assets	47,497,367.10	73,677,843.00
Goodwill	73,324,705.01	73,324,705.01
Long-term deferred expenses	10,311,497.66	12,700,762.68
Deferred income tax assets	47,553,643.03	45,164,736.97
Total non-current assets	59,514,482,684.47	58,914,228,927.13
Total assets	69,051,625,058.26	65,841,861,904.73

Items	30 September 2020 RMB	31 December 2019 RMB
Current liabilities		
Short-term borrowings	4,476,871,208.70	5,130,004,114.66
Bills payable	33,000,000.00	274,027,320.00
Accounts payable	1,739,355,729.93	1,648,285,972.88
Receipts in advance	–	1,724,058.06
Contract liabilities	66,917,630.26	28,703,714.77
Staff remuneration payable	173,038,546.12	358,892,931.98
Taxes payable	79,882,165.05	142,299,752.93
Other payables	889,206,412.57	709,245,447.99
Including: Interests payable	167,767,683.42	162,647,016.69
Dividends payable	–	17,384,129.53
Non-current liabilities maturing within one year	2,852,402,781.05	4,055,008,815.49
Total current liabilities	10,310,674,473.68	12,348,192,128.76
Non-current liabilities		
Long-term borrowings	14,287,492,929.93	17,325,526,412.90
Bonds payable	2,495,217,009.46	2,493,477,007.40
Leasing obligation	2,252,855,295.55	2,145,306,396.12
Long-term payables	1,076,122,180.37	1,089,246,991.17
Long-term staff remuneration payable	202,784,991.04	202,784,991.04
Estimated liabilities	–	10,010,847.00
Deferred income tax liabilities	446,258,395.84	428,476,177.36
Other non-current liabilities	992,428,920.50	631,235,015.32
Total non-current liabilities	21,753,159,722.69	24,326,063,838.31
Total liabilities	32,063,834,196.37	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 reserves	11,929,777,976.35	7,571,797,967.14
Other comprehensive income	-107,219,201.57	264,321,197.83
Special reserves	69,467,548.38	6,186,080.89
Surplus reserves	2,877,436,346.44	2,877,436,346.44
Undistributed profit	16,506,676,378.82	13,372,960,783.49
Total equity attributable to owners of the parent company (or shareholders' equity)	36,038,830,933.42	28,124,735,236.79
Minority interests	948,959,928.47	1,042,870,700.87
Total owners' equity (or shareholders' equity)	36,987,790,861.89	29,167,605,937.66
Total liabilities and owners' equity (or shareholders' equity)	69,051,625,058.26	65,841,861,904.73

Balance Sheet of the Company

Items	30 September 2020 <i>RMB</i>	31 December 2019 <i>RMB</i>
Current assets		
Cash and cash equivalents	548,742,379.77	551,353,651.12
Bills receivable	20,000,000.00	–
Accounts receivable	535,841,240.27	7,061,235.11
Prepayments	305,248,377.57	6,948,624.79
Other receivables	3,006,762,985.84	2,670,751,014.18
Including: Interests receivable	1,306,190.67	44,157,877.50
Dividends receivable	832,739,747.57	109,883,679.06
Inventory	295,532,002.61	33,779,975.23
Contract assets	108,532,684.96	14,607,603.41
Non-current assets maturing within one year	–	1,069,762,000.00
Other current assets	65,011,727.92	65,011,727.92
Total current assets	4,885,671,398.94	4,419,275,831.76
Non-current assets		
Long-term equity investment	21,240,709,298.01	20,505,098,093.68
Investment properties	170,421,096.00	170,421,096.00
Fixed assets	12,971,063,339.19	1,866,406,315.81
Construction in progress	604,475,732.74	720,748,299.49
Right-of-use assets	9,562,470.41	931,277.28
Intangible assets	3,931,074.08	796,313.83
Other non-current assets	2,251,350,959.00	5,000,000,000.00
Total non-current assets	37,251,513,969.43	28,264,401,396.09
Total assets	42,137,185,368.37	32,683,677,227.85
Current liabilities		
Short-term borrowings	–	2,450,000,000.00
Bills payable	33,000,000.00	274,027,320.00
Accounts payable	696,879,471.60	63,363,207.30
Contract liability	9,385,847.65	–
Staff remuneration payable	86,700,750.15	168,196,683.22
Taxes payable	59,924,761.11	1,674,392.45
Other payables	4,464,873,981.15	2,287,163,697.85
Including: Interests payable	60,662,696.80	43,031,843.60
Non-current liabilities maturing within one year	–	526,656.54
Total current liabilities	5,350,764,811.66	5,244,951,957.36

Items	30 September 2020	31 December 2019
	<i>RMB</i>	<i>RMB</i>
Non-current liabilities		
Long-term borrowings	417,000,000.00	300,000,000.00
Bonds payable	2,495,217,009.46	2,493,477,007.40
Lease liability	6,528,702.50	–
Long-term staff remuneration payable	23,632,428.78	8,073,025.98
Deferred income tax liabilities	193,488,885.32	189,122,865.99
Total non-current liabilities	3,135,867,026.06	2,990,672,899.37
Total liabilities	8,486,631,837.72	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 reserves	12,174,148,612.70	7,821,332,815.53
Other comprehensive income	383,285,037.25	374,589,549.63
Special reserves	48,179,937.22	702,903.97
Surplus reserves	2,877,436,346.44	2,877,436,346.44
Undistributed profit	13,404,811,712.04	9,341,957,894.55
Total owners' equity (or shareholders' equity)	33,650,553,530.65	24,448,052,371.12
Total liabilities and owners' equity (or shareholders' equity)	42,137,185,368.37	32,683,677,227.85

Consolidated Income Statement

Items	July –	July –	January –	January –
	September	September	September	September
	2020	2019	2020	2019
	RMB	RMB	RMB	RMB
1. Total operating revenue	3,524,311,698.88	3,393,235,703.10	13,286,083,158.08	10,530,777,946.23
Including: Operating revenue	3,524,311,698.88	3,393,235,703.10	13,286,083,158.08	10,530,777,946.23
2. Total operating expense	3,251,296,067.84	3,350,289,214.13	10,233,637,240.42	10,111,423,900.06
Including: Operating expenses	2,810,044,511.84	2,764,103,213.40	8,911,846,810.84	8,464,996,379.62
Business taxes and other surcharges	3,858,410.07	9,109,241.11	43,869,167.19	46,479,122.98
Sales expenses	10,570,266.29	38,126,453.62	25,376,221.26	49,752,809.02
Administrative expenses	150,370,081.15	134,392,994.58	432,400,755.65	418,689,232.83
R & D expenses	2,507,349.90	2,966,347.30	7,027,964.82	6,754,072.65
Financial expenses	273,945,448.59	401,590,964.12	813,116,320.66	1,124,752,282.96
Including: Interest expenses	303,074,093.00	431,992,887.71	863,732,865.39	1,126,020,941.82
Interest income	23,937,506.38	31,971,729.35	81,831,571.11	82,715,130.20
Add: Other gains	2,866,077.26	2,376,845.66	34,776,233.32	20,503,508.27
Add: Investment income (“-” for investment loss)	218,484,930.42	196,174,663.13	678,629,169.87	519,397,902.21
Including: Investment income from associates and joint ventures	205,504,414.88	186,508,208.55	702,847,406.86	517,657,025.63
Gain or loss from fair value changes (“-” for loss)	–	–	-3,414,395.00	–
Credit impairment losses (“-” for credit impairment loss)	2,921,901.81	39,686.07	-9,617,818.04	-17,179,611.67
Gain from asset disposal (“-” for loss)	4,258,130.47	–	-736,076.39	–
3. Operating profit (“-” for operating loss)	501,546,671.00	241,537,683.83	3,752,083,031.42	942,075,844.98
Add: Non-operating revenue	6,843,155.81	2,233,385.24	11,782,740.51	5,785,186.08
Less: Non-operating expense	271,932.13	970,704.77	8,995,164.86	9,144,768.09
4. Gross profit (“-” for gross loss)	508,117,894.68	242,800,364.30	3,754,870,607.07	938,716,262.97
Less: Income tax	27,695,125.35	55,809,776.92	227,480,206.12	143,341,400.34
5. Net profit (“-” for net loss)	480,422,769.33	186,990,587.38	3,527,390,400.95	795,374,862.63
(1) Classified by sustainability				
a. Net profit from continuing operations (“-” for net loss)	480,422,769.33	186,990,587.38	3,527,390,400.95	795,374,862.63
b. Net profit from discontinued operations (“-” for net loss)	–	–	–	–
(2) Classified by ownership				
a. Net profit attributable to owners of parent company	416,812,711.30	113,897,153.68	3,324,223,270.73	582,803,349.78
b. Net profit attributable to minority shareholders	63,610,058.03	73,093,433.70	203,167,130.22	212,571,512.85

Items	July – September 2020 RMB	July – September 2019 RMB	January – September 2020 RMB	January – September 2019 RMB
6. Other comprehensive net income after tax	-162,137,116.57	117,879,617.86	-600,799,767.86	-129,445,834.66
Other comprehensive net income after tax attributable to owners of parent company	-203,303,507.10	187,972,824.79	-371,540,399.40	45,914,905.13
(1) Other comprehensive income not to be re-classified subsequently to profit or loss	9,686,894.31	-4,902,955.40	-4,451,752.44	37,645,186.54
a. Gain or loss from changes in the fair value of other equity investments	9,686,894.31	-4,902,955.40	-4,451,752.44	37,645,186.54
(2) Other comprehensive income to be reclassified to profit or loss	-212,990,401.41	192,875,780.19	-367,088,646.96	8,269,718.59
a. Portion of other comprehensive income to be re-classified to profit or loss under equity method	72,985,914.75	75,044,632.92	-20,625,198.47	-32,867,786.66
b. Effective portion of profit or loss on cash flow hedges	14,731,031.12	-71,226,558.83	-158,423,366.03	-172,033,489.35
c. Foreign currency translation gains or losses	-300,707,347.28	189,057,706.10	-183,481,727.86	213,170,994.60
d. Others	–	–	-4,558,354.60	–
Other comprehensive net income after tax attributable to minority shareholders	41,166,390.53	-70,093,206.93	-229,259,368.46	-175,360,739.79
7. Total comprehensive income	318,285,652.76	304,870,205.24	2,926,590,633.09	665,929,027.97
Total comprehensive income attributable to owners of parent company	213,509,204.20	301,869,978.47	2,952,682,871.33	628,718,254.91
Total comprehensive income attributable to minority shareholders	104,776,448.56	3,000,226.77	-26,092,238.24	37,210,773.06
8. Earnings per share				
(1) Basic earnings per share (RMB per share)	0.0744	0.0282	0.7356	0.1445
(2) Diluted earnings per share (RMB per share)	0.0744	0.0282	0.7353	0.1445

Income Statement of the Company

Items	July –	July –	January –	January –
	September 2020 RMB	September 2019 RMB	September 2020 RMB	September 2019 RMB
1. Operating revenue	1,186,911,989.59	43,875,647.10	2,071,530,123.64	81,846,147.81
Less: Operating expenses	911,208,161.23	32,964,562.80	1,404,949,480.48	61,045,339.86
Business taxes and other surcharges	706,228.30	155,789.58	9,492,047.81	3,211,819.38
Sales expenses	10,570,266.29	9,715,322.06	25,376,221.26	21,341,677.46
Administrative expenses	73,454,561.67	82,393,914.67	205,482,640.75	190,627,883.17
R & D expenses	2,507,349.90	2,966,347.30	7,027,964.82	6,754,072.65
Financial expenses	74,250,942.08	94,508,736.54	166,441,732.87	222,751,172.47
Including: Interest expenses	36,550,245.25	44,149,873.20	132,900,841.32	175,034,749.94
Interest income	7,061,866.89	2,560,078.53	29,502,244.47	7,108,674.21
Add: Other gains	415,870.74	297,100.09	767,613.49	1,457,100.09
Add: Investment income				
(“-” for investment loss)	993,588,829.53	121,074,333.24	1,449,175,989.64	349,909,944.82
Including: investment income from associates and joint ventures	175,695,756.10	15,869,390.41	452,498,389.77	45,568,471.27
Credit impairment losses				
(“-” for credit impairment loss)	-13,199,054.18	–	-15,398,965.06	-71,085.25
Gain from asset disposal (“-” for loss)	-152,399.94	–	-152,399.94	–
2. Operating profit (“-” for operating loss)	1,094,867,726.27	-57,457,592.52	1,687,152,273.78	-72,589,857.52
Add: Non-operating revenue	–	–	1,042,042.22	60,000.00
Less: Non-operating expense	10,000.00	–	8,010,000.00	7,000,000.00
3. Gross profit (“-” for gross loss)	1,094,857,726.27	-57,457,592.52	1,680,184,316.00	-79,529,857.52
Less: Income tax	2,296,711.63	–	–	–
4. Net profit (“-” for net loss)	1,092,561,014.64	-57,457,592.52	1,680,184,316.00	-79,529,857.52
a. Net profit from continuing operations				
(“-” for net loss)	1,092,561,014.64	-57,457,592.52	1,680,184,316.00	-79,529,857.52
b. Net profit from discontinued operation				
(“-” for net loss)	–	–	–	–
5. Other comprehensive net income after tax	–	–	-101,676,618.30	–
(1) Other comprehensive income not to be re-classified subsequently to profit or loss	–	–	–	–
(2) Other comprehensive income to be reclassified to profit or loss	–	–	-101,676,618.30	–
a. Portion of other comprehensive income to be re-classified to profit or loss under equity method	–	–	-110,372,105.92	–
b. others	–	–	8,695,487.62	–
6. Total comprehensive income	1,092,561,014.64	-57,457,592.52	1,578,507,697.70	-79,529,857.52
7. Earnings per share				
(1) Basic earnings per share (RMB per share)	0.2382	-0.0143	0.3718	-0.0197
(2) Diluted earnings per share (RMB per share)	0.2382	-0.0143	0.3718	-0.0197

Consolidated Statement of Cash Flows

Item	Nine months ended 30 September 2020 (RMB)	Nine months ended 30 September 2019 (RMB)
1. Cash flows from operating activities		
Cash received from sales of goods and services	13,751,341,522.33	10,408,065,522.66
Cash received from tax rebates	140,684,765.80	27,487,544.46
Cash received relating to other operating activities	380,238,248.67	184,312,022.05
Subtotal of cash inflow from operating activities	14,272,264,536.80	10,619,865,089.17
Cash paid for goods and services	6,732,303,815.18	5,178,468,823.17
Cash paid to and on behalf of employees	1,328,830,025.80	1,107,257,724.94
Taxes paid	424,406,395.00	244,504,236.11
Cash paid relating to other operating activities	435,478,656.22	497,934,829.64
Subtotal of cash outflow from operating activities	8,921,018,892.20	7,028,165,613.86
Net cash flows from operating activities	5,351,245,644.60	3,591,699,475.31
2. Cash flows from investing activities		
Cash received from disposal of investments	22,569,483.09	250,288,140.05
Cash received from gains in investments	485,096,746.22	503,009,022.24
Net cash inflow from disposal of fixed, intangible and other long-term assets investment	314,657,760.32	3,030.00
Net cash received on disposal of subsidiaries and other operating units	12,435,578.27	–
Subtotal of cash inflow from investing activities	834,759,567.90	753,300,192.29
Cash paid for purchase of fixed, intangible and other long-term assets	3,618,653,254.18	1,019,001,754.84
Cash paid for investment	349,264,000.00	13,585,696.52
Cash paid relating to other investment activities	–	30,275,255.50
Subtotal of cash outflow from investing activities	3,967,917,254.18	1,062,862,706.86
Net cash flows from investing activities	-3,133,157,686.28	-309,562,514.57

Item	Nine months ended 30 September 2020 (RMB)	Nine months ended 30 September 2019 (RMB)
3. Cash flows from financing activities		
Cash received from raising capital	5,175,987,149.57	–
Including: Cash received by subsidiary from raising capital from minority shareholders	86,787,162.00	–
Cash received from borrowings	4,139,284,056.71	5,118,594,578.08
Cash received in connection with other financing activities	12,471,048.54	–
Subtotal of cash inflow from financing activities	9,327,742,254.82	5,118,594,578.08
Cash paid for payment of debts	7,957,482,772.84	6,596,106,768.77
Cash paid for distribution of dividends or profits and for interest expenses	1,070,263,785.00	1,129,367,504.89
Including: Dividend and earnings distributed by subsidiary to minority shareholders	122,656,600.02	63,695,332.40
Cash paid relating to other financing activities	518,124,379.50	526,201,123.63
Subtotal of cash outflow from financing activities	9,545,870,937.34	8,251,675,397.29
Net cash flows from financing activities	-218,128,682.52	-3,133,080,819.21
4. Effect on cash and cash equivalents from changes of foreign exchange rates	-88,599,181.52	88,060,243.91
5. Net increase in cash and cash equivalents	1,911,360,094.28	237,116,385.44
Add: Balance of cash and cash equivalents at the beginning of the year	3,919,499,740.67	3,467,924,591.66
6. Balance of cash and cash equivalents at the end of the Reporting Period	5,830,859,834.95	3,705,040,977.10

Cash Flow Statement of the Company

Items	Nine months ended 30 September 2020 (RMB)	Nine months ended 30 September 2019 (RMB)
1. Cash flows from operating activities		
Cash received from sales of goods and services	1,691,412,007.53	67,438,744.59
Cash received from tax rebates	71,011,028.92	547,932.45
Cash received relating to other operating activities	3,693,212,875.93	2,087,560,552.87
Subtotal of cash inflow from operating activities	5,455,635,912.38	2,155,547,229.91
Cash paid for goods and services	688,817,398.29	68,771,133.13
Cash paid to or on behalf of employees	487,169,243.45	176,429,682.50
Taxes paid	5,847,061.74	3,355,653.80
Cash paid relating to other operating activities	1,999,281,055.54	1,240,542,966.16
Subtotal of cash outflow from operating activities	3,181,114,759.02	1,489,099,435.59
Net cash flows from operating activities	2,274,521,153.36	666,447,794.32
2. Cash flows from investing activities		
Cash received from disposal of investments	1,000,000,000.00	2,500,000,000.00
Cash received from gains in investments	364,628,103.55	263,215,297.30
Subtotal of cash inflow from investing activities	1,364,628,103.55	2,763,215,297.30
Cash paid for purchase of fixed, intangible and other long-term assets	1,914,943,634.70	665,104,919.64
Cash paid for investments	4,063,778,899.48	2,523,080,000.00
Subtotal of cash outflow from investing activities	5,978,722,534.18	3,188,184,919.64
Net cash flows from investing activities	-4,614,094,430.63	-424,969,622.34

Items	Nine months ended 30 September 2020 (RMB)	Nine months ended 30 September 2019 (RMB)
3. Cash flows from financing activities		
Cash received from investments	5,089,199,987.57	–
Cash received from borrowings	–	1,195,000,000.00
Cash received from other related financing activities	16,113,408.40	143,555.56
Subtotal of cash inflow from financing activities	5,105,313,395.97	1,195,143,555.56
Cash paid for payment of debts	2,450,000,000.00	1,000,000,000.00
Cash paid for distribution of dividends or profits and for interest expenses	298,183,709.27	198,044,046.21
Cash paid relating to other financing activities	10,752,901.52	700,000.00
Subtotal of cash outflow from financing activities	2,758,936,610.79	1,198,744,046.21
Net cash flows from financing activities	2,346,376,785.18	-3,600,490.65
4. Effect on cash and cash equivalents from changes of foreign exchange rates	-9,414,779.26	250,819.66
5. Net increase in cash and cash equivalents	-2,611,271.35	238,128,500.99
Add: Balance of cash and cash equivalents at the beginning of the year	551,353,651.12	474,633,692.24
6. Balance of cash and cash equivalents at the end of the Reporting Period	548,742,379.77	712,762,193.23

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 October 2020

As at the date of this announcement, the Board comprises Mr. Liu Hanbo and Mr. Zhu Maijin as executive directors, Mr. Zhang Qinghai and Mr. Liu Zhusheng as non-executive directors, Mr. Rui Meng, Mr. Teo Siong Seng, Mr. Victor Huang, Mr. Li Runsheng and Mr. Zhao Jinsong as independent non-executive directors.

* *For identification purposes only*