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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 2019

SUMMARY

This Report for the three months ended 31 March 2019 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 PRC GAAP.

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.

§1 IMPORTANT

- 1.1 This first quarterly report (the “**Report**”) for the three months ended 31 March 2019 (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. All financial information set out in the Report is unaudited and prepared in accordance with the accounting principles generally accepted in the PRC (the “**PRC GAAP**”).

§2 PARTICULARS OF THE COMPANY

2.1 Principal financial data and statistics highlights

Item	As at	As at 31 December 2018		Increase/ Decrease (%)
	31 March 2019	After adjusted	Before adjusted	
Total assets (RMB)	66,022,588,247.69	63,416,267,446.09	63,416,267,446.09	4.11
Net assets attributable to shareholders of the Company (RMB)	27,995,874,196.22	28,191,620,047.08	28,191,620,047.08	-0.69
	For the three months ended 31 March 2019	For the three months ended 31 March 2018		Increase/ Decrease (%)
Net cash flow from operating activities (RMB)	1,507,917,545.17	149,450,581.26	151,736,905.60	908.97
	For the three months ended 31 March 2019	For the three months ended 31 March 2018		Increase/ Decrease (%)
Revenue from operation (RMB)	3,847,709,571.87	2,406,430,889.04	2,401,635,061.19	59.89
Net profit attributable to shareholders of the Company (RMB)	428,082,373.67	-86,481,727.93	-84,884,067.66	595.00
Net profit attributable to shareholders of the Company after exceptional items (RMB)	425,784,375.77	-85,313,354.84	-85,313,354.84	599.08
Rate of returns on net assets (%) (weighted)	1.52	-0.31	-0.31	Increase by 1.83 percentage points
Basic earnings per share (RMB)	0.1062	-0.0214	-0.0211	595.00
Diluted earnings per share (RMB)	0.1062	-0.0214	-0.0211	595.00

Items	For the three months ended 31 March 2019 Amount (RMB)
Profit or Loss on disposal of non-current assets	-22,755.67
Other non-operating revenue and expenses	2,762,675.75
Minority interests effect (after tax)	178,328.53
Income tax effect	-620,250.71
Total	2,297,997.90

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

Total number of shareholders		97,254				
		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 Co., Ltd. ⁽¹⁾ (中國海運集團有限公司)	1,536,924,595	38.12	0	Nil	Stated-owned entity	
HKSCC NOMINEES LIMITED ⁽²⁾	1,285,272,978	31.88	0	Unknown	Offshore entity	
Central Huijin Assets Management Company Ltd (中央匯金資產管理有限責任 公司)	92,709,700	2.30	0	Nil	Stated-owned entity	
Hong Kong Securities Clearing Company Ltd. (香港中央結算有限公司)	36,724,248	0.91	0	Nil	Offshore entity	
China Securities Finance Co., Ltd. (中國證券金融股份有限公司)	31,356,641	0.78	0	Nil	Stated-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	0.62	0	Nil	Others	
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	0.62	0	Nil	Others	
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	0.62	0	Nil	Others	
Liu Wenhua (劉文華)	17,098,317	0.42	0	Nil	Domestic natural person	
Peng Heqing (彭賀慶)	15,611,774	0.39	0	7,469,664 shares subject to pledge	Domestic natural person	

Top ten holders of shares in circulation without any selling restrictions⁽³⁾

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 Co., Ltd. ⁽¹⁾	1,536,924,595	RMB ordinary shares
HKSCC NOMINEES LIMITED ⁽²⁾	1,285,272,978	Offshore listed H shares
Central Huijin Assets Management Company Ltd	92,709,700	RMB ordinary shares
Hong Kong Securities Clearing Company Ltd.	36,724,248	RMB ordinary shares
China Securities Finance Co., Ltd.	31,356,641	RMB ordinary shares
Harvest Fund – Agricultural Bank of China – Harvest CSI Financial Asset Management Plan	24,879,500	RMB ordinary shares
GF Fund – Agricultural Bank of China – GF CSI Financial Asset Management Plan	24,879,500	RMB ordinary shares
Zhongou Fund – Agricultural Bank of China – Zhongou CSI Financial Asset Management Plan	24,879,500	RMB ordinary shares
Liu Wenhua	17,098,317	RMB ordinary shares
Peng Heqing	15,611,774	RMB ordinary shares

Notes:

- (1) As at the end of the Reporting Period, China Shipping Group Co., Ltd. (“**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 number of shares of the Company.
- (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 all securities firms in Hong Kong and other CCASS participants.
- (3) The Company has no shareholder of restricted shares, therefore the top 10 shareholders are the same as the top 10 shareholders of unrestricted shares. No connected relationship exists between the 1st shareholder and the 2nd to 10th shareholders, but it is unknown whether connected relationship or concerted action relationship exist among the 2nd to 10th 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 Q1 2019

During the Reporting Period, global oil tanker demand experienced a gradual increase following the peak season in the fourth quarter 2018. Organization of the Petroleum Exporting Countries (“OPEC”) output in the past quarter was recorded at 1.93 million barrels/day (mb/d) lower than that of the same period last year, where Iran and Venezuela production cuts as a result of the sanctions accounted for 1.1 mb/d and 0.57 mb/d respectively, while crude oil exports from the United States showed significant growth. According to the U.S. Energy Information Administration, the average export volume of the US crude oils reached 2.74 mb/d during the first quarter, representing an increase of 1.21 mb/d compared to that a year ago. This substantially increased the tonne-mile demand for tankers and thus provided strong support to the freight rates. Moreover, the sanctions on Venezuela added volatility onto the tanker market, as the temporary switch of exporting routes towards Asian oil buyers increased the tanker demand across much longer routes and hence led to a spike in the freight rates.

With respect to the supply side, 19 Very Large Crude Carriers (“VLCC”) were delivered and 1 demolished during the Reporting Period. A large number of tanker orders are expected to be delivered this year, while aging of existing tankers and environmental conventions such as the International Maritime Organization (“IMO”) 2020 sulfur cap have exerted further pressure on the profitability of older tankers, which is likely to encourage demolition.

The average daily earning during the first three months of 2019 on the VLCC Middle East-China (TD3C) route was USD27,948/day, which represented a year-on-year increase of 243%; daily earnings on other major routes for other types of tankers experienced year-over-year increases ranging from 50% to 220%.

During the Reporting Period, the Group strengthened research analysis on the international tanker market and optimally strategized for rising opportunities in the market recovery through increasing the proportion of West Africa-Far East and triangular routes to improve operating efficiency and voyage earnings so as to ensure that the fleet outperformed the market. Through the Reporting Period, the Group achieved a tanker utilization of 1,483.79 million-tonne days with a 10.7% year-on-year growth, a transportation volume of 39.43 million tones with a 13.2% year-on-year growth and a turnover of 136.11 billion tonne-nautical miles with a year-on-year growth of 7.3%.

In terms of Liquefied Natural Gas (“LNG”) transportation, the Group had three LNG vessels delivered during the Reporting Period. As of 31 March 2019, the Group had 29 operating LNG vessels with an aggregate of 4.87 million cubic meters, which represents 10 additional vessels compared to last year, realizing a pre-tax income of RMB138 million in the LNG transportation segment and thus a year-on-year growth of 89.7%.

During the Reporting Period, the Group achieved operating revenue of RMB3.85 billion, operating expense of RMB2.91 billion, pre-tax income of RMB542 million, net earnings of RMB502 million and net earnings attributable to equity holders of the Company of RMB428 million with year-on-year growth of 59.9%, 34.1%, 1,433.5%, 1,096.3% and 595.0% 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	2019.03.31	2018.12.31	Change (%)	Reason for Significant Changes
Trade and bills receivable	1,241,618,796.93	752,109,711.42	65.08	Note 1
Other receivables	532,581,083.80	277,247,646.08	92.10	Note 2
Fixed assets	47,635,376,969.45	48,925,781,117.16	-2.64	Note 3
Right-of-use assets	2,576,745,131.79	–	Not applicable	Note 4
Trade and bills payable	1,884,953,933.04	1,454,436,260.10	29.60	Note 5
Staff remuneration payable	165,277,568.04	296,989,592.00	-44.35	Note 6
Leasing obligation	2,452,017,959.29	–	Not applicable	Note 7
Other comprehensive	102,242,372.46	291,788,144.87	-64.96	Note 8

Notes:

- 1 Trade and bills receivable increased approximately RMB489 million, or 65.08%, compared to the beginning of the year mainly because the traditional peak season continued through the Reporting Period and freight rates stayed high, so that the receivables balance was temporarily increased.
- 2 Other receivables increased approximately RMB255 million compared to the beginning of the year, representing a 92.10% growth, mainly from the allocation of dividends from the Group's associates.
- 3 Fixed assets decreased by approximately RMB1.29 billion, or 2.64%, compared to the beginning of the year, mainly due to depreciation and changes in the foreign exchange rates during the Reporting Period.
- 4 Right-of-use assets increased by approximately RMB2.58 billion, which was related to the recognition of leased assets as right-of-use assets from the adoption and application of the Accounting Standards for Business Enterprises No. 21 – Leases (collectively referred to as the “**New Standards on Leases**”).
- 5 Trade and bills payable increased by approximately RMB431 million with a rate of 29.6%, mainly because of continuing occurrence of payables associated with materials that were not due for payment.
- 6 Staff remuneration payable decreased by approximately RMB132 million, or 44.35%, mainly due to payment of remuneration during the Reporting Period that was not provided in 2018.
- 7 Leasing obligation had a approximately RMB2.45 billion increase due to recognition of liabilities as leasing obligation upon the adoption and application of the Accounting Standards for Business Enterprises No. 21 – Leases.
- 8 Other comprehensive income fell by approximately RMB190 million, or 64.96%, mainly from changes in the foreign currency translation.

Unit: RMB

Income Statement Items				Reason for Significant Changes
	January to March 2019	January to March 2018	Change (%)	
Operating revenue	3,847,709,571.87	2,406,430,889.04	59.89	Note 9
Operating expense	2,907,502,651.44	2,167,657,107.24	34.13	Note 10
Finance costs	380,317,684.03	233,502,731.79	62.88	Note 11
Investment income	151,644,119.69	102,966,446.98	47.28	Note 12
Operating income	539,007,758.55	-41,527,960.26	1,397.94	Note 13

Notes:

- 9 Operating revenue increased by approximately RMB1.44 billion, or 59.89%, mainly due to the favourable conditions in the international tanker market that improved the utilization of fleet during the Reporting Period, as well as the fact that the Group completed the acquisition of COSCO PetroChina SHIPPING Co., Ltd. (formerly known as Dalian PetroChina Shipping Co., Ltd.) in early March 2018, which contributed to revenue in the first quarter of 2019.
- 10 Operating expense increased by approximately RMB740 million with a growth rate of 34.13% mainly because of the year-on-year expansion in operating fleet, the rising bunker prices and the additional cost from COSCO PetroChina SHIPPING Co., Ltd. compared to the first quarter of 2018.
- 11 Finance costs went up by approximately RMB147 million, increasing at a rate of 62.88%, mainly because of the contractionary monetary policy of the Federal Reserve during 2018, increased interest expense from the rising interest rates, increased foreign currency losses due to changes in the exchange rates and the expensed interests upon delivery of the vessels.
- 12 Investment income increased by approximately RMB49 million, which represented a 47.28% increase, mainly due to the substantial growth in profits from the Group's associates and joint ventures.
- 13 Operating income increased by approximately RMB581 million, or 1,397.94%, due to the favourable conditions in the international tanker market that improved the utilization of fleet during the Reporting Period.

Unit: RMB

Cash Flow Statement Items				Reason for Significant Changes
	January to March 2019	January to March 2018	Change (%)	
Net cash generated from operating activities	1,507,917,545.17	149,450,581.26	908.97	Note 14
Net cash generated from investing activities	-58,319,292.24	914,153,068.81	-106.38	Note 15
Net cash generated from financing activities	-732,446,109.56	-1,425,052,631.87	48.60	Note 16

Notes:

- 14 Net cash generated from operating activities increased by approximately RMB1.36 billion, or year-on-year growth of 908.97%, mainly resulting from the favourable conditions in the international oil shipping market during the Reporting Period that significantly increased the Group's operating revenue and income.
- 15 Net cash generated from investing activities decreased by approximately RMB972 million, representing a 106.38% reduction, mainly because the Group's subsidiary, China Shipping Development (Hong Kong) Marine Co., Limited, received repayments of long-term borrowings amounted to RMB955 million from associates and joint ventures.
- 16 Net cash generated from financing activities increased by approximately RMB693 million, or 48.6%, compared to the same period last year because of an increase in bank borrowings during the Reporting Period.

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

Non-public issuance of A shares

After consideration and approval by the Company's tenth and twelfth board meetings in 2017, as well as approval by the Company's third extraordinary general meeting in 2017, the first A shareholders' class meeting in 2017 and the first H shareholders' class meeting in 2017, the Company intends to issue a maximum of 806,406,572 A Shares (inclusive) to no more than 10 specific subscribers (including China COSCO Shipping Corporation Limited ("**COSCO Shipping**"), the controlling shareholder of the Company) by way of non-public issuance (hereinafter referred to as the "**Non-public Issuance**"). The issue price shall be not less than 90% of the average trading price of A shares of the Company during the 20 trading days immediately preceding the price benchmark date, and also not less than the latest audited net asset value per share at the time of the issuance of the Company. The gross proceeds shall amount to RMB5.4 billion (the amount finally approved by the China Securities Regulatory Commission shall prevail). Excluding issuance expenses, the net proceeds will be used for the following purposes: (1) Construction of 14 additional oil tankers; (2) Completion of acquisition of two Panamax oil tankers (72,000-tonne class).

As of the publication date of this report, the Non-public Issuance has been approved by the State-owned Assets Supervision and Administration Commission of the State Council (the "**SASAC**") and accepted by the China Securities Regulatory Commission, and the Securities and Futures Commission of Hong Kong has granted its consent to whitewash waiver and special deal for the Non-public Issuance. The Company has submitted a reply to the "Notice Regarding the China Securities Regulatory Commission's First Feedback on the Review of Administrative Permission Items" (No. 172605) (《中國證監會行政許可項目審查一次反饋意見通知書》(172605號)) issued by the China Securities Regulatory Commission. Based on the audit requirement and actual conditions of the Company, the "Plan of Non-public Issuance of A Shares of COSCO SHIPPING Energy Transportation Co., Ltd (revised draft) (《中遠海運能源運輸股份有限公司非公開發行A股股票預案(修訂稿)》)" has been formulated.

After approval by the Company's ninth board meeting in 2018, and ratification by the Extraordinary General Meeting and Class Meetings dated 17 December 2018, the Shareholder's meeting authorized the extension of the validity period of the then Shareholders' resolutions relating to the Proposed Non-public Issuance of A Shares for a further period of 12 months starting from the expiration of the validity period decided by the former Shareholders' resolutions, and the extension of the validity period of the authorisation granted to the Board and any person authorised by the Board to handle all matters relating to the Proposed Non-public Issuance of A Shares for a further period of 12 months starting from the expiration of the last validity period. Apart from the extension of the validity period, there is no other change to the contents. Apart from the extension of the validity period of the Shareholders' resolutions, there is no other change to the Non-public Issuance of the Company.

The Non-public Issuance is still subject to approval by the China Securities Regulatory Commission, and there are uncertainties as to whether the approval will be granted. The Company will, based on the review progress of the China Securities Regulatory Commission, timely fulfill the information disclosure obligation in strict accordance with requirements of applicable laws and regulations. Investors are advised to pay attention to investment risks thereof. For details, please refer to the announcements published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 1 November, 2 December, 16 December, 19 December and 28 December 2017 and 7 February, 6 March, 10 May, 31 October and 18 December 2018 respectively.

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 last year and the reason thereof

Not applicable

§4 APPENDIX

Consolidated Balance Sheet

Items	31 March 2019 <i>RMB</i>	31 December 2018 <i>RMB</i>
Current assets		
Cash and cash equivalents	4,157,056,349.44	3,468,782,121.73
Notes receivable and accounts receivable	1,241,618,796.93	752,109,711.42
Including: Notes receivable	11,578,279.44	16,869,114.44
Accounts receivable	1,230,040,517.49	735,240,596.98
Prepayments	348,830,241.73	341,779,277.31
Other receivables	532,581,083.80	277,247,646.08
Including: Interests receivable	15,369,693.75	14,632,909.84
Dividends receivable	240,000,000.00	–
Inventory	797,069,877.18	926,846,707.15
Contract assets	907,152,535.98	1,057,467,712.50
Non-current assets maturing within one year	67,838,593.75	13,137,174.65
Other current assets	93,314,400.40	107,281,000.44
Total current assets	8,145,461,879.21	6,944,651,351.28
Non-current assets		
Long-term receivables	1,423,017,656.49	1,447,226,864.52
Long-term equity investment	5,086,558,318.52	5,208,244,034.29
Investment in other equity instruments	358,876,194.63	268,278,396.44
Investment properties	21,286,124.71	21,286,124.71
Fixed assets	47,635,376,969.45	48,925,781,117.16
Construction in progress	564,215,105.47	385,663,191.68
Right-of-use assets	2,576,745,131.79	–
Intangible assets	75,638,741.14	76,372,060.06
Goodwill	73,324,705.01	73,324,705.01
Long-term deferred expenses	14,519,718.69	17,871,627.55
Deferred income tax asset	47,567,702.58	47,567,973.39
Total non-current assets	57,877,126,368.48	56,471,616,094.81
Total assets	66,022,588,247.69	63,416,267,446.09

Items	31 March 2019 <i>RMB</i>	31 December 2018 <i>RMB</i>
Current liabilities		
Short-term borrowings	4,201,147,360.25	4,256,270,052.28
Notes payable and accounts payable	1,884,953,933.04	1,454,436,260.10
Receipts in advance	782,955.70	959,512.97
Staff remuneration payable	165,277,568.04	296,989,592.00
Taxes payable	70,035,480.16	26,730,557.13
Other payables	385,167,097.50	440,435,854.80
Including: Interests payable	190,570,667.33	176,777,119.48
Dividends payable	76,066,856.40	76,066,856.40
Contract liabilities	74,456,535.79	59,528,224.29
Non-current liabilities to be mature within one year	4,701,919,406.92	4,346,225,859.54
Total current liabilities	11,483,740,337.40	10,881,575,913.11
Non-current liabilities		
Long-term borrowings	18,329,389,858.11	18,786,375,272.85
Bonds payable	2,492,256,551.29	2,491,251,602.29
Lease liabilities	2,452,017,959.29	-
Long-term payables	1,137,078,737.51	1,109,592,274.84
Long-term Staff remuneration payable	157,035,678.83	157,070,431.83
Deferred income tax liabilities	393,625,663.92	365,821,937.93
Other non-current liabilities	454,419,478.49	352,381,949.79
Total non-current liabilities	25,415,823,927.44	23,262,493,469.53
Total liabilities	36,899,564,264.84	34,144,069,382.64
Shareholders' equity		
Paid in capital(or share capital)	4,032,032,861.00	4,032,032,861.00
Capital reserve	7,562,845,945.61	7,559,335,405.61
Other comprehensive income	102,242,372.46	291,788,144.87
Specific reserve	39,171,417.36	24,846,060.34
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	13,382,145,253.35	13,406,181,228.82
Total equity attributable to owners of the parent company	27,995,874,196.22	28,191,620,047.08
Minority interests	1,127,149,786.63	1,080,578,016.37
Total shareholders' equity	29,123,023,982.85	29,272,198,063.45
Total liabilities and shareholders' equity	66,022,588,247.69	63,416,267,446.09

Balance Sheet of the Company

Items	31 March 2019 RMB	31 December 2018 RMB
Current assets		
Cash and cash equivalents	466,041,697.83	474,633,692.24
Notes receivable and accounts receivable	15,099,759.68	3,240,257.61
Including: accounts receivable	15,251,700.18	3,240,257.61
Prepayments	4,233,577.72	3,099,355.88
Other receivables	2,686,719,332.38	2,636,991,520.53
Including: interest receivable	117,494,453.41	65,644,736.79
Dividend receivable	61,427,461.59	61,427,461.59
Inventory	3,479,728.00	4,791,391.36
Contractual assets	151,940.50	2,600,512.42
Non-current assets maturing within one year	4,000,000,000.00	4,000,000,000.00
Other current assets	28,075,000.47	28,075,000.47
Total current assets	7,203,801,036.58	7,153,431,730.51
Non-current assets		
Long-term equity investment	17,963,956,128.93	17,947,163,620.43
Investment properties	170,456,666.00	476,867,026.00
Fixed assets	1,381,933,500.80	1,087,732,676.90
Construction in progress	354,090,601.38	330,425,040.95
Right-of-use assets	2,337,914.86	–
Intangible assets	961,554.60	1,016,634.85
Other non-current assets	4,942,335,000.00	4,933,632,000.00
Total non-current assets	24,816,071,366.57	24,776,836,999.13
Total assets	32,019,872,403.15	31,930,268,729.64
Current liabilities		
Short-term borrowings	1,339,410,000.00	1,339,410,000.00
Notes payable and accounts payable	7,657,300.67	3,106,298.12
Contractual liability	566,116.64	–
Staff remuneration payable	9,072,108.32	60,702,905.62
Taxes payable	4,050,937.11	493,651.47
Other payables	2,215,526,268.04	2,194,792,394.90
Including: interests payable	104,777,014.62	54,740,290.11
Non-current liabilities maturing within one year	1,500,405,281.79	1,498,439,461.42
Total current liabilities	5,076,688,012.57	5,096,944,711.53
Non-current liabilities		
Long-term borrowings	220,000,000.00	140,000,000.00
Bonds payable	2,492,256,551.29	2,491,251,602.29
Deferred income tax liabilities	192,458,363.06	192,458,363.06
Total non-current liabilities	2,904,714,914.35	2,823,709,965.35
Total liabilities	7,981,402,926.92	7,920,654,676.88
Shareholders' equity		
Paid in capital(or share capital)	4,032,032,861.00	4,032,032,861.00
Capital reserve	7,812,282,235.53	7,808,771,695.53
Other comprehensive income	274,037,946.16	274,037,946.16
Special reserves	253,721.53	–
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	9,042,426,365.57	9,017,335,203.63
Total shareholders' equity	24,038,469,476.23	24,009,614,052.76
Total liabilities and shareholders' equity	32,019,872,403.15	31,930,268,729.64

Consolidated Income Statement

Items	January-March 2019 RMB	January-March 2018 RMB
1. Total operating revenue	3,847,709,571.87	2,406,430,889.04
Including: Operating revenue	3,847,709,571.87	2,406,430,889.04
2. Total cost of sales	3,474,985,329.31	2,550,925,296.28
Including: Operating cost	2,907,502,651.44	2,167,657,107.24
Business taxes and other surcharges	27,555,940.95	14,110,979.08
Sales expenses	15,847,270.51	4,163,065.39
Administrative expenses	141,256,421.55	130,999,160.24
Financial expenses	380,317,684.03	233,502,731.79
Of which: Interest expenses	375,727,626.89	290,446,839.23
Interest income	24,026,496.20	31,418,407.58
Credit impairment losses	2,505,360.83	492,252.54
Add: Other gains	14,639,396.30	-
Investment income (“-” for investment loss)	151,644,119.69	102,966,446.98
Including: investment income from		
associates and joint ventures	151,644,119.69	102,966,446.98
3. Operating profit (“-” for operating loss)	539,007,758.55	-41,527,960.26
Add: Non-operating revenue	3,262,262.87	915,862.91
Less: Non-operating expenditure	522,342.79	13,480.00
4. Total profit (“-” for gross loss)	541,747,678.63	-40,625,577.35
Less: Income tax	39,809,885.31	9,756,346.16
5. Net profit (“-” for net loss)	501,937,793.32	-50,381,923.51
(1) Classified by sustainability		
a. Net profit from continuing operations (“-” for net loss)	501,937,793.32	-50,381,923.51
b. Net profit from discontinued operation (“-” for net loss)	-	-
(2) Classified by ownership		
a. Net profit attributable to owners of parent company (“-” for net loss)	428,082,373.67	-86,481,727.93
b. Net profit attributable to minority shareholders	73,855,419.65	36,099,804.42

Items	January-March 2019 RMB	January-March 2018 RMB
6. Other comprehensive income after tax, net	-219,160,350.32	-410,489,851.56
Other comprehensive income after tax attributable to owners of the parent company, net	-189,545,772.41	-299,706,515.12
(1) Other comprehensive income that may not be subsequently reclassified into profit or loss	34,667,312.46	-13,670,800.40
a. Other comprehensive income that may not be subsequently reclassified into profit or loss under equity method	-	-3,824.65
b. Changes in fair value of other equity instruments investment	34,667,312.46	-13,666,975.75
(2) Other comprehensive income that will be subsequently reclassified into profit or loss	-224,213,084.87	-286,035,714.72
a. Other comprehensive income that will be subsequently reclassified into profit or loss under equity method	-28,823,212.82	-63,753,702.33
b. Reserves for cash flows hedges (Effective hedging portion of gains or losses arising from cash flow hedging instruments)	-44,264,508.38	66,447,447.99
c. Exchange difference on translation of financial statements in foreign currency	-151,125,363.67	-288,729,460.38
Other comprehensive income after tax attributable to minority shareholders, net	-29,614,577.91	-110,783,336.44
7. Total comprehensive income	282,777,443.00	-460,871,775.07
Total comprehensive income attributable to owners of parent company	238,536,601.26	-386,188,243.05
Total of comprehensive income attributable to minority shareholders	44,240,841.74	-74,683,532.02
8. Earnings per share		
(1) Basic earnings per share (RMB per share)	0.1062	-0.0214
(2) Diluted earnings per share (RMB per share)	0.1062	-0.0214

Income Statement of the Company

Items	January-March 2019 <i>RMB</i>	January-March 2018 <i>RMB</i>
1. Total operating revenue	18,280,637.67	24,952,309.38
Less: operating cost	12,249,100.09	9,788,859.40
Business taxes and other surcharges	3,130,558.00	193,049.06
Sales expenses	6,283,133.09	4,163,065.39
Administrative expenses	40,492,652.88	3,474,930.26
Financial expenses	43,027,699.97	14,444,580.32
Including: interests expenses	65,068,141.29	62,943,053.25
Interests income	2,265,630.21	9,313,704.92
Add: Other gains	1,160,000.00	–
Investment income (“-” for investment loss)	110,714,491.57	110,064,296.14
Including: investment income from associates and joint ventures	16,792,508.50	18,895,563.53
2. Operating profit (“-” for operating loss)	24,971,985.21	102,952,121.09
Add: Non-operating revenue	–	73,007.35
3. Total profit (“-” for gross loss)	24,971,985.21	103,025,128.44
4. Net profit (“-” for net loss)	24,971,985.21	103,025,128.44
Net profit from continuing operations (“-” for net loss)	24,971,985.21	103,025,128.44
Net profit from discontinued operation (“-” for net loss)	–	–
5. Other comprehensive income after tax, net	–	–
6. Total comprehensive income	24,971,985.21	103,025,128.44
7. Earnings per share		
(1) Basic earnings per share (RMB per share)	0.0062	0.0256
(2) Diluted earnings per share (RMB per share)	0.0062	0.0256

Consolidated Cash Flow Statement

Items	January-March 2019 RMB	January-March 2018 RMB
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	3,529,276,510.00	2,120,168,861.90
Cash received from tax rebates	17,256,804.25	3,521,019.50
Cash received from other related operating activities	275,288,319.23	322,138,610.69
Subtotal of cash inflow from operating activities	3,821,821,633.48	2,445,828,492.09
Cash paid for goods and services	1,709,046,987.50	1,545,287,673.16
Cash paid to or on behalf of employees	413,726,109.66	416,593,305.84
Taxes paid	67,042,006.47	55,805,360.26
Other cash paid relating to operating activities	124,088,984.68	278,691,571.57
Subtotal of cash outflow from operating activities	2,313,904,088.31	2,296,377,910.83
Net cash flows from operating activities	1,507,917,545.17	149,450,581.26
2. Cash flows from investing activities		
Cash received from disposal of investments	13,376,795.81	961,808,327.93
Cash received from gains in investments	6,106,740.69	-
Net cash inflow from disposal of fixed, intangible and other long-term assets	300.00	
Subtotal of cash inflow from investing activities	19,483,836.50	961,808,327.93
Cash paid for purchase of fixed, intangible and other long-term assets	63,728,914.26	549,313,839.52
Cash paid for investment	14,074,214.48	-
Net cash paid for acquisition of subsidiaries and other operating entities	-	-516,038,560.37
Other cash paid relating to investment activities	-	14,379,979.97
Subtotal of cash outflow from investing activities	77,803,128.74	47,655,259.12
Net cash flows from investing activities	-58,319,292.24	914,153,068.81
3. Cash flows from financing activities		
Cash received from borrowings	1,021,025,269.86	43,002,971.11
Cash received relating to other financing activities	-	278,031,565.89
Subtotal of cash inflow from financing activities	1,021,025,269.86	321,034,537.00
Cash paid for payment of debts	1,312,415,198.15	861,912,359.40
Cash paid for distribution of dividends or profits and for interest expenses	294,834,264.13	410,782,331.65
Cash paid for other related financing activities	146,221,917.14	473,392,477.82
Subtotal of cash outflow from financing activities	1,753,471,379.42	1,746,087,168.87
Net cash flows from financing activities	-732,446,109.56	-1,425,052,631.87
4. Effect on cash and cash equivalents from change of exchange rates	-28,877,915.66	-95,031,903.98
5. Net increase in cash and cash equivalents	688,274,227.71	-456,480,885.78
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	3,468,782,121.73	5,011,356,123.86
6. Balance of cash and cash equivalents at the end of the Reporting Period	4,157,056,349.44	4,554,875,238.08

Cash Flow Statement of the Company

Items	January-March 2019 RMB	January-March 2018 RMB
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	7,459,068.47	14,611,770.98
Cash received from other related operating activities	26,379,405.13	658,853,612.15
Subtotal of cash inflow from operating activities	33,838,473.60	673,465,383.13
Cash paid for goods and services	9,681,418.58	3,140,953.11
Cash paid to or on behalf of employees	73,780,944.06	58,834,410.95
Taxes paid	164,489.04	2,240,448.23
Other cash paid relating to operating activities	26,943,426.76	161,005,702.95
Subtotal of cash outflow from operating activities	110,570,278.44	225,221,515.24
Net cash flows from operating activities	-76,731,804.84	448,243,867.89
2. Cash flows from investing activities		
Cash received from gains in investments	46,605,838.33	43,467,806.11
Subtotal of cash inflow from investing activities	46,605,838.33	43,467,806.11
Cash paid for purchase of fixed, intangible and other long-term assets	33,513,569.48	519,882,943.36
Cash paid for investment	10,000,000.00	200,000,000.00
Net cash paid for acquisition of subsidiaries and other operating entities	-	396,625,716.92
Subtotal of cash outflow from investing activities	43,513,569.48	1,116,508,660.28
Net cash flows from investing activities	3,092,268.85	-1,073,040,854.17
3. Cash flows from financing activities		
Cash received from borrowings	80,000,000.00	-
Subtotal of cash outflows from financing activities	80,000,000.00	-
Cash paid for distribution of dividends or profits and for interest expenses	14,026,467.78	12,054,690.00
Other cash payments relating to financing activities	529,701.00	-
Subtotal of cash outflow from financing activities	14,556,168.78	12,054,690.00
Net cash flows from financing activities	65,443,831.22	-12,054,690.00
4. Effect on cash and cash equivalents from change of exchange rates	-396,289.64	-132,073.01
5. Net increase in cash and cash equivalents	-8,591,994.41	-636,983,749.29
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	474,633,692.24	2,357,963,561.27
6. Balance of cash and cash equivalents at the end of the Reporting Period	466,041,697.83	1,720,979,811.98

Conditions of the related financial statements at the beginning of the first year when the New Financial Instruments, New Revenue Standards and New Standards on Leases were implemented for the first time

The Company started to adopt and apply the requirements of the New Standards on Leases from 1 January 2019. Based on the cumulative impact of the first implementation of the Standards, the retained earnings and other related items in the financial statements at the beginning of 2019 are adjusted, while the information in the comparable period are not adjusted.

Consolidated Balance Sheet

Items	31 December 2018	1 January 2019	Adjustment
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Right-of-use assets	–	2,709,977,604.66	2,709,977,604.66
Non-current liabilities			
maturing within one year	4,346,225,859.54	4,863,877,912.38	517,652,052.84
Lease obligation	–	2,644,184,189.08	2,644,184,189.08
Undistributed profit	13,406,181,228.82	12,954,062,879.68	-452,118,349.14
Minority interests	1,080,578,016.37	1,080,837,728.25	259,711.88

Balance Sheet of the Company

Items	31 December 2018	1 January 2019	Adjustment
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Right-of-use assets	–	2,576,733.89	2,576,733.89
Non-current liabilities			
maturing within one year	1,498,439,461.42	1,500,396,978.21	1,957,516.79
Lease obligation	–	500,040.37	500,040.37
Undistributed profit	9,017,335,203.63	9,017,454,380.36	119,176.73

This announcement is made in compliance with Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company's A Shares 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 2019

As at the date of this announcement, the Board of the Company comprises Mr. Liu Hanbo and Mr. Lu Junshan 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 purpose only*