

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



COSCO SHIPPING ENERGY TRANSPORTATION CO., LTD.*
中遠海運能源運輸股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1138)

POSITIVE PROFIT ALERT
FOR THE YEAR ENDED 31 DECEMBER 2022

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022, the Group expects to record a net profit attributable to the equity holders of the Company for the year ended 31 December 2022 in the range of approximately RMB1.28 billion to approximately RMB1.58 billion (equivalent to approximately HK\$1.49 billion to approximately HK\$1.84 billion), as compared to a net loss attributable to the equity holders of the Company of approximately RMB4.99 billion (equivalent to approximately HK\$5.80 billion) for the year ended 31 December 2021.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company and read carefully the announcement of the annual results of the Group for the year ended 31 December 2022, which is expected to be published in March 2023.

This announcement is made by COSCO SHIPPING Energy Transportation Co., Ltd.* (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

* *For identification purposes only*

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (or the “**Reporting Period**”), the Group expects to record a net profit attributable to the equity holders of the Company for the year ended 31 December 2022 in the range of approximately RMB1.28 billion to approximately RMB1.58 billion (equivalent to approximately HK\$1.49 billion to approximately HK\$1.84 billion), as compared to a net loss attributable to the equity holders of the Company of approximately RMB4.99 billion (equivalent to approximately HK\$5.80 billion) for the year ended 31 December 2021.

Based on the information currently available, the expected profit for the year ended 31 December 2022 was mainly attributable to:

- 1) The international oil trade flow has undergone significant change due to the conflict between Russia and Ukraine. The increase of oil shipping distance and the release of strategic petroleum reserve of the United States has greatly boosted tonne-mile demand during 2022. Medium and small tankers, as the main beneficiaries of the oil trade flow switch, had a strong rate performance. Very Large Crude Carrier (VLCC) freight rate started to recover and rose rapidly since the third quarter of 2022, owing to the improvement of the overall tanker market and the increase of long-haul voyages. The Group managed to capture market opportunities, making full use of its large fleet capacity, flexible operating mode, and diversified ship type. In 2022, the international oil shipping segment of the Group has realized a gross profit of approximately RMB1.47 billion, representing a year-on-year increase of 218%; and
- 2) The Company intends to further optimize the profit distribution arrangement of overseas subsidiaries to ensure that the profit distribution fund of the Company is sufficient and in place. Accordingly, the Company will require relevant overseas subsidiaries to pay profits to the Company based on factors such as their capital status, retained earnings and the pace of recovery of the oil transportation market. In accordance with the accounting standards, for the adjustment of the above profit distribution arrangement, the Group shall make the record for deferred tax liabilities on the basis of the undistributed profit of relevant overseas subsidiaries, while recognizing the current income tax expense, totaling approximately RMB650 million. This matter has been reviewed and approved at the first meeting of 2023 of the Board. For further information, please refer to the announcement of the Company dated 30 January 2023 on the accounting treatment of deferred tax liabilities with profit distribution arrangement adjustments of overseas subsidiaries of the Company.

The Company is still in the process of finalizing the consolidated results of the Group for the year ended 31 December 2022. The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 currently available to the Company, and is not based on any figures or information which have been reviewed or confirmed by the audit committee of the Board, or reviewed or audited by the auditors of the Company. The actual results of the Group for the year

ended 31 December 2022 may differ from that disclosed in this announcement. Further details of the financial performance of the Group will be disclosed in the annual results announcement of the Group for the year ended 31 December 2022.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company and read carefully the announcement of the annual results of the Group for the year ended 31 December 2022, which is expected to be published in March 2023.

By order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
Ren Yongqiang
Chairman

Shanghai, People's Republic of China
30 January 2023

For the purpose of this announcement, translations of RMB to HK\$ or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.86. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rates or any other rates or at all.

As at the date of this announcement, the Board comprises Mr. Ren Yongqiang and Mr. Zhu Maijin as executive Directors, Mr. Wang Wei and Ms. Wang Songwen as non-executive Directors, Mr. Victor Huang, Mr. Li Runsheng, Mr. Zhao Jinsong and Mr. Wang Zuwen as independent non-executive Directors.