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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 2016

Summary

This Report for the three months ended 30 September 2016 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

This third quarterly report (the "Report") for the three months ended 30 September 2016 (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

Principal financial data and statistics highlights

	As at 30 September 2016	As at 31 December 2015		Increase/ Decrease (%)
		After adjusted	Before adjusted	
Total assets (RMB)	57,700,514,990.60	85,617,121,545.03	66,965,190,850.38	-32.61
Net assets attributable to shareholders of the Company (RMB)	27,224,073,150.50	31,744,539,677.48	25,101,977,845.28	-14.24
	For the nine months ended 30 September 2016	For the nine months ended 30 September 2015		Increase/ Decrease (%)
		After adjusted	Before adjusted	
Net cash flow from operating activities (RMB)	14,903,995,800.26	5,405,462,232.25	3,673,017,232.25	175.72
Revenue from operation (RMB)	10,715,772,117.93	12,986,880,069.64	9,279,798,069.64	-17.49
Net profit attributable to shareholders of the Company (RMB)	2,224,067,921.69	1,328,466,704.77	690,621,704.77	67.42
Net profit attributable to shareholders of the Company after exceptional items (RMB)	775,733,230.83	839,035,125.80	839,035,125.80	-7.54
Rate of returns on net assets (%) (weighted)	7.25	3.34	2.77	Increase by 3.91 percentage points
Basic earnings per share (RMB)	0.5516	0.3354	0.1744	216.28
Diluted earnings per share (RMB)	0.5516	0.3354	0.1732	218.48

Exceptional items and amount	For the three months ended 30 September 2016	For the nine months ended 30 September 2016	
Items	Amount (RMB)	Amount (RMB)	Notes
Profit and Loss on disposal of non-current assets	-368,088.88	-2,533,107.78	
Government grants included in gains or losses for the current period, excluding those closely related to the Company's ordinary business and granted on an on-going basis in fixed amount or volume according to certain standards and adhering to certain principles under national policies	220,239,111.53	222,140,768.60	The Company received the ship breaking grants.
Net profit and loss of the subsidiary acquired in the combination of business under common control from the beginning of the period to the date of combination		628,586,112.22	The subsidiary acquired in the combination of business under common control, generated net profit before it was acquired.
Gains and losses from changes in fair value of investment properties subsequently measured at fair value	6,691,634.31	3,750,354.72	
Other non-operating income and expenses except for the aforesaid items	-41,018,703.39	-49,077,554.36	
Other profits or losses within the definition of extraordinary profit or loss		966,852,489.37	During January to September of the year, the Company generated investment income from the disposal of subsidiary, China Shipping Bulk Carrier Co., Limited.
Income tax effect	-85,568,326.24	-353,421,716.13	
Minority interests effect (after tax)		-1,287,864.89	
Total	99,975,627.33	1,415,009,481.75	

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

Total number of shareholders			128,053		
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 ⁽¹⁾ (中國海運(集團)總公司)	1,536,924,595	38.12	0	Nil	Stated-owned entity
HKSCC NOMINEES LIMITED ⁽²⁾	1,284,620,996	31.86	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	2.3	0	Nil	Stated-owned entity
China Securities Finance Co., Ltd. (中國證券金融股份有限公司)	38,180,505	0.69	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
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
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
Agricultural Bank of China Company Limited - Wells Fargo CSI State-owned Enterprises Reform Index Classification Securities Investment Fund (中國農業銀行股份有限公司—富國中證國有企業改革指數分級證券投資基金)	17,821,565	0.44	0	Nil	Others
National Social Security Fund Portfolio 407 (全國社保基金四零七組合)	12,726,446	0.32	0	Nil	Others

Top 10 shareholders (continued)					
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
Southern Fund - Agricultural Bank of China - Southern CSI Financial Asset Management Plan (南方基金—農業銀行—南方中證金融資產管理計劃)	12,596,453	0.31	0	Nil	Others

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) Company ⁽¹⁾	1,536,924,595	RMB ordinary shares
HKSCC NOMINEES LIMITED ⁽²⁾	1,284,620,996	Offshore listed H shares
Central Huijin Assets Management Company Ltd	92,709,700	RMB ordinary shares
China Securities Finance Co., Ltd.	38,180,505	RMB ordinary shares
Harvest Fund - Agricultural Bank of China - Harvest 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
GF Fund - Agricultural Bank of China - GF CSI Financial Asset Management Plan	24,879,500	RMB ordinary shares
Agricultural Bank of China Company Limited - Wells Fargo CSI State-owned Enterprises Reform Index Classification Securities Investment Fund	17,821,565	RMB ordinary shares
National Social Security Fund Portfolio 407	12,726,446	RMB ordinary shares
Southern Fund — Agricultural Bank of China - Southern CSI Financial Asset Management Plan	12,596,453	RMB ordinary shares

Notes:

- (1) As at the end of the Reporting Period, China Shipping (Group) Company (“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

Unit: RMB

Balance Sheet Item	2016.09.30	2015.12.31	Change(%)	Reason for Significant Changes
Cash and Cash Equivalents	9,615,319,644.47	4,908,977,899.22	95.87	Note(1)
Notes Receivable	67,288,499.38	470,289,495.61	-85.69	Note(2)
Accounts Receivable	1,253,234,183.44	2,321,006,698.63	-46.00	Note(2)
Interests receivable		3,572,671.63	-100.00	Note(3)
Dividends receivable	1,225,556.33	292,548,430.38	-99.58	Note(4)
Other receivables	186,374,157.22	315,108,013.83	-40.85	Note(2)
Inventory	353,395,352.70	715,085,657.98	-50.58	Note(2)
Other current assets	2,576,450.16	767,651,334.99	-99.66	Note(2)
Long-term receivables	1,257,340,850.06	2,119,286,105.71	-40.67	Note(5)
Long-term equity investment	3,925,913,899.50	8,228,262,098.02	-52.29	Note(2)
Fixed assets	29,233,984,249.52	55,494,366,003.87	-47.32	Note(2)
Long-term deferred expenses	1,958,742.99	8,700,496.93	-77.49	Note(2)
Deferred income tax asset	4,225,733.80	486,992,823.47	-99.13	Note(2)
Short-term borrowings	2,663,512,201.85	5,789,593,406.22	-53.99	Note(6)
Receipts in advance	303,517,029.90	530,834,690.42	-42.82	Note(2)
Taxes payable	87,855,005.67	182,069,631.25	-51.75	Note(7)
Other payables	444,809,054.33	214,618,370.88	107.26	Note(8)
Long-term borrowings	13,793,455,885.76	32,411,922,195.71	-57.44	Note(9)
Long-term payables	881,007,885.45	1,553,542,641.99	-43.29	Note(2)
Other non-current liabilities	826,708,111.55	411,385,025.09	100.96	Note(10)
Capital reserve	7,597,367,292.44	14,226,642,078.95	-46.60	Note(11)
Specific reserve	57,401,421.82	82,625,287.88	-30.53	Note(2)
Other comprehensive income	-176,641,320.51	-489,808,810.51	63.94	Note(2)
Minority interests	-425,769,399.50	862,873,493.23	-149.34	Note(2)

Notes:

- (1) Cash and cash equivalents increased by 95.87% as compared to the beginning of the period, primarily because the Company received the prepayment of borrowings from the disposal of subsidiary China Shipping Bulk Carrier Co., Limited (“CS Bulk”).
- (2) These items decreased significantly primarily because the portion of these items that belong to CS Bulk ceased to be reflected in the consolidated statement of the Company after the disposal of subsidiary CS Bulk;

- (3) Interests receivable decreased by 100% as compared to the beginning of the period, primarily because the Company received the interests repayable to the Company by CS Bulk.
- (4) Dividend receivables decreased by 99.58% as compared to the beginning of the period, primarily because the Company received dividends from its joint ventures.
- (5) Long-term receivables decreased by 40.67% as compared to the beginning of the period, primarily because the Company recovered its borrowings to a disposed joint venture.
- (6) Short-term borrowings decreased by 53.99% as compared to the beginning of the period, primarily because the Company repaid part of its short-term borrowings.
- (7) Taxes payable decreased by 51.75% as compared to the beginning of the period, primarily due to the Company having paid certain of its taxes.
- (8) Other payables increased by 107.26% as compared to the beginning of the period, primarily due to the compensations outstanding for the delivery period following the significant assets reorganization of the Company.
- (9) Long-term borrowings decreased by 57.44% as compared to the beginning of the period, primarily because the Company repaid part of its borrowings.
- (10) Other non-current liabilities increased by 100.96% as compared to the beginning of the period, primarily due to the changes in value of an interest rate swap contract.
- (11) Capital reserve decreased by 46.60% as compared to the beginning of the period, primarily because the acquisition under the business combination under common control has not yet completed, nor has the consideration been paid at the beginning of the retrospective period, as a result of which the then net capital assets of the proposed acquirer were reflected in the capital reserve of the consolidated statement. At the end of this period, the capital reserve decreased significantly because the acquisition has been completed and the capital reserve retrospectively consolidated at the beginning of the period has been written down in recognition of the payment of the acquisition consideration.

Income Statement Items	January to September 2016	January to September 2015	Change (%)	Reason for Significant Changes
Gain from changes in fair value	3,750,354.72	6,718,000.00	-44.17	Note(12)
Investment income	1,286,723,070.51	257,480,123.11	399.74	Note(13)
Non-operating revenue	233,335,852.39	1,255,731,389.22	-81.42	Note(14)
Non-operating expenditure	215,714,755.33	1,206,665,158.82	-82.12	Note(15)
Income tax	137,540,177.92	-48,311,505.64	384.69	Note(16)

Notes:

- (12) Gain from changes in fair value from January to September for the year decreased by 44.17% as compared to the corresponding period of the previous year, primarily due to the changes in fair value of the interest swap rate contract of Dalian Ocean Shipping Company Limited (“Dalian Ocean”).

- (13) Investment income from January to September for the year increased by 399.74% as compared to the corresponding period of the previous year, primarily due to the investment income generated from the disposal of the subsidiary CS Bulk by the Company.
- (14) Non-operating revenue from January to September for the year decreased by 81.42% as compared to the corresponding period of the previous year, primarily due to the significant amount of ship breaking grants received for the corresponding period of the previous year.
- (15) Non-operating expenditure from January to September for the year decreased by 82.12% as compared to the corresponding period of the previous year, primarily due to the scrap of a large number of vessels for the corresponding period of the previous year.
- (16) Income tax from January to September for the year increased by 384.69% as compared to the corresponding period of the previous year, primarily due to the revenue generated from the disposal of subsidiary CS Bulk and the better performance of the major business from January to September for the year as compared to the corresponding period of the previous year.

Cash Flow Statement Items	January to September 2016	January to September 2015	Change(%)	Reason for Significant Changes
Net cash flow from operating activities	14,903,995,800.26	5,405,462,232.25	175.72	Note(17)
Net cash flow from investing activities	5,081,290,432.31	-3,878,800,714.98	231.00	Note(18)
Net cash flow from financing activities	-15,391,074,701.68	-1,942,718,405.70	-692.24	Note(19)

Notes:

- (17) Net cash flows generated from operating activities from January to September for the year increased by 175.72% as compared to the corresponding period of the previous year, primarily due to the increase in cash from operating activities and recovery of the advances to CS Bulk by the Company as a result of the disposal of CS Bulk.
- (18) Net cash flows generated from investing activities from January to September for the year increased by 231.00% as compared to the corresponding period of the previous year, primarily due to the increase in cash flow from investing activities as a result of the disposal of CS Bulk by the Company.
- (19) Net cash flows generated from financing activities from January to September for the year decreased by 692.24% as compared to the corresponding period of the previous year, primarily due to the repayment of some borrowings by the Company in light of its cash sufficiency.

3.2 Analysis and explanation on the progress of significant events and their impacts and solutions

Pursuant to the asset transfer agreement entered into among the Company, China Ocean Shipping (Group) Company (“COSCO Company”) and China COSCO Bulk Shipping (Group) Co., Ltd. (“COSCO Bulk”) on 29 March 2016 (the “Asset Transfer Agreement”), the Company has paid COSCO Company the shortfall

between the considerations for the assets disposed and the assets acquired under the major asset restructuring on 15 July 2016. As such, the material asset restructuring has been completed. Please refer to the announcement in relation to the progress of the implementation of the material asset restructuring published by the Company on 16 July 2016, 20 July 2016 and 19 August 2016 on the website of the Shanghai Stock Exchange (www.sse.com.cn) for details.

According to the Asset Transfer Agreement, the Company has appointed Baker Tilly China Certified Public Accountants to audit the profit and loss during the transition period and other change of equities of the assets disposed and has appointed Ruihua Certified Public Accountants to audit the profit and loss during the transition period and other change of equities of the assets acquired with 30 June 2016 as the reference date of the closing audit. At present, the relevant audit work has been completed. Pursuant to the Asset Transfer Agreement and audit results, the Company should pay COSCO Company or its designated wholly-owned subsidiary, COSCO Bulk, for the loss during the transition period and other change of equities of the assets disposed. The amount of compensation is RMB339 million, which has not been paid as at the reporting date.

3.3 Performance of undertakings made by the Company and its shareholders with shareholding over 5%

I. Undertakings of controlling shareholders in relation to the independence of Company

- (1). On 11 December 2015, China Shipping, as the controlling shareholder of the Company, made the following undertakings:

China Shipping undertakes to maintain separation of the Company's assets, personnel, finance, entities and businesses, and to comply with the relevant requirements regarding a listed company's independence as required by the China Securities Regulatory Commission. China Shipping shall not violate the standard operation procedure of the Company by virtue of its capacity as the controlling shareholder, shall not intervene with the operating decisions of the Company, and shall not jeopardize the legitimate interests of the Company and other shareholders. China Shipping and its controlled companies undertake that they won't illegally use the funds of the Company and its controlled entities in any way.

China Shipping has actively fulfilled its undertakings to maintain the independence of the Company. Since the undertakings were made, China Shipping has taken the necessary measures to comply with the relevant requirements of the China Securities Regulatory Commission on the independence of listed companies.

- (2). On 5 May 2016, China COSCO Shipping Corporation Limited (“COSCO Shipping Group”), as the indirect controlling shareholder of the Company, made the following undertakings:

COSCO Shipping Group undertakes that following the completion of the gratuitous transfer, while COSCO Shipping Group directly or indirectly holds the controlling interest of the Company, COSCO Shipping Group shall, on its own and through COSCO Company and China Shipping, maintain separation of the Company’s assets, personnel, finance, entities and businesses, and comply with the relevant requirements regarding a listed company’s independence as required by the China Securities Regulatory Commission. COSCO Shipping Group shall not violate the standard operation procedure of the Company by virtue of its capacity as the controlling shareholder, shall not intervene with the operating decisions of the Company, and shall not jeopardize the legitimate interests of the Company and other shareholders. COSCO Shipping Group and its controlled companies undertake that they won’t illegally use the funds of the Company and its controlled entities in any way.

COSCO Shipping Group has actively fulfilled the undertakings to maintain the independence of the Company. Since it has had indirect control of the Company, COSCO Shipping Group has taken the necessary measures to comply with the relevant requirements of the China Securities Regulatory Commission on the independence of listed companies.

II. Non-competition undertakings of controlling shareholders

- (1) On 23 May 2001, China Shipping, as the controlling shareholder of the Company, made the following non-competition undertakings to the Company:
- a. not to engage in any business that competes with the business of the Company; and
 - b. not to support any entities under its control to commence any business that competes with the business of the Company.

- (2) In order to avoid any competition between China Shipping and its controlled entities (for the purpose of the undertaking, including the wholly-owned, majority-controlled or controlled subsidiaries under China Shipping but excluding the Company and its majority-controlled subsidiaries) with the Company, on 15 June 2011, China Shipping made further non-competition undertakings below in addition to the continuous performance of those previously made:
- a. China Shipping positioned the Company as the ultimate integrated sole business platform under China Shipping to specialize in oil shipping, bulk cargo and LNG transportation.
 - b. For bulk cargo carriers and oil tankers owned by China Shipping and its controlled non-listed entities, China Shipping undertook to inject such bulk cargo carrier and oil tanker assets into the Company by way of merger and acquisition and restructuring of assets, or to dispose of such assets to external parties when the appropriate opportunities arise within 5 years, thus eliminating the competition between China Shipping and the Company to promote the sustainable and stable growth of the Company.
 - c. For bulk cargo carriers and oil tankers chartered by China Shipping (Hong Kong) Holdings Co., Ltd. (“China Shipping (H.K.) Holdings”), a majority-controlled subsidiary of China Shipping, by way of finance leases (the leases of such vessels expired in 2011 and 2012), China Shipping undertook to inject such bulk cargo carrier and oil tanker assets into the Company by way of merger and acquisition and restructuring of assets, or to dispose of such assets to external parties, subject to the completion of procedures for acquiring ownership of such vessels under finance leases by China Shipping (H.K.) Holdings when the appropriate opportunities arise within 5 years.
 - d. Before completion of the injection of such bulk cargo carrier and oil tanker assets into the Company or otherwise disposal to external parties, China Shipping will, pursuant to the business needs of the Company, charter the above vessels to the Company (including its majority-controlled subsidiaries and/or joint venture companies) for operation based on market-oriented principles, or entrust such vessels to the Company (including its majority-controlled subsidiaries and/or joint venture companies) for operation and management, so as to avoid competition.

The Company implemented a material asset restructuring in the first half of 2016. The undertakings in items (2)a and (2)b above in respect of bulk assets to be injected into the Company or disposed of, and the undertaking in item (2)d above in respect of lease and entrusted management of bulk assets prior to injection or disposal thereof have been waived in the Company's general meeting and are no longer required to be performed. Given that all the oil shipping and LNG assets of China Shipping are owned by the Company, the above undertakings have been completed.

(3). On 11 December 2015, as the controlling shareholder of the Company, China Shipping made the following non-competition undertakings to the Company in relation to the then proposed material asset restructuring plan:

- a. Upon completion of the material asset restructuring plan, China Shipping will not directly or indirectly (including but not limited to sole proprietorship, joint venture, cooperation and joint operation, etc.) participate in or conduct any business activities that constitute or may constitute substantive competition with the principal business in which the Company is engaged.
- b. In respect of competition or potential competition that may arise in future between products produced or businesses engaged by the wholly-owned, holding and equity participation enterprises of China Shipping and the Company, if requested by the Company, China Shipping undertakes that it will assign all contribution or shares in the aforesaid enterprises and undertakes that provided that laws and regulations are complied with, it will grant the right of pre-emption to the Company or its wholly-owned subsidiaries in respect of the aforesaid contribution or shares, and will do its utmost to procure that the price of the relevant transaction is determined on the basis of fairness, reasonableness and normal commercial transactions with independent third parties.
- c. In the event that the interests of the Company and other shareholders are damaged as a result of a breach of the above undertakings by China Shipping or other enterprises controlled by China Shipping, China Shipping will assume the corresponding compensatory liability according to the law.

China Shipping has actively performed its non-competition undertakings and has taken necessary steps since the undertakings were made to eliminate and prevent competition with the Company.

- (4) On 5 May 2016, COSCO Shipping Group, as the indirect controlling shareholder of the Company, made the following undertakings:
- a. During the period when the Company is directly or indirectly controlled by COSCO Shipping Group, COSCO Shipping Group and its subsidiaries will not take any action or measure to engage in business activities which compete or may compete substantively with the principal business of the Company and its subsidiaries and will not infringe upon the legitimate interests of the Company and its subsidiaries, which shall include, without limitation, establishing other subsidiaries, joint ventures or associated companies in the future to engage in businesses which constitute substantive competition with the existing principal business of the Company and its subsidiaries or otherwise directly or indirectly participating in the existing principal business of the Company and its subsidiaries.
 - b. If potential exists for COSCO Shipping Group and the companies controlled by it to substantively compete with the Company in terms of its principal business or have substantive conflicts of interest with the Company in the future, COSCO Shipping Group will give up or procure the companies controlled by it to give up the business opportunities that may give rise to competition or inject the businesses of COSCO Shipping Group and the companies controlled by it that may give rise to competition into the Company at an appropriate time and at equitable and fair market prices.
 - c. COSCO Shipping Group will not take advantage of information obtained from or made aware of by the Company to assist any third party in engaging or participating in any business activities where substantive or potential competition with the existing business of the Company exists.
 - d. In the event that the interests of the Company and other shareholders are damaged as a result of a breach of the above undertakings by COSCO Shipping Group or other companies controlled by it, COSCO Shipping Group will assume the corresponding compensatory liability according to the law.

COSCO Shipping Group has actively performed its non-competition undertakings and has taken necessary steps since it has had indirect control over the Company to eliminate and prevent competition with the Company.

III. REDUCTION OF CONNECTED TRANSACTIONS

- (1) On 11 December 2015, China Shipping, as the controlling shareholder of the Company, made the following undertakings:
 - a. China Shipping and other enterprises controlled by it and the Company shall avoid or reduce connected transactions so far as possible. For connected transactions that are unavoidable or indeed necessary, China Shipping undertakes that it will adhere to the market-oriented principles of impartiality, fairness and openness, enter into agreements according to law, perform the legal procedure in accordance with the relevant laws and regulations, regulatory documents and relevant provisions such as the articles of association of the Company, guarantee the fairness and compliance of connected transactions, guarantee not to prejudice the legitimate interests of the Company and other shareholders, and make timely information disclosure in accordance with the relevant laws and regulations and the requirements of regulatory documents.
 - b. China Shipping will exercise the rights of shareholders in strict accordance with laws and regulation such as the Company Law of the PRC and the articles of association of the Company and fulfill its obligation to abstain from voting on connected transactions of China Shipping and other enterprises controlled by it at the general meetings of the Company.

The above undertakings shall continue to be in force during the period in which China Shipping is the controlling shareholder of the Company.

China Shipping has actively performed its undertakings to reduce connected transactions and has taken necessary steps since the undertakings were made to avoid or reduce connected transactions. For those unavoidable or necessary connected transactions, it shall ensure that they are fair and carried out in compliance with the law.

- (2). On 5 May 2016, COSCO Shipping Group, as the indirect controlling shareholder of the Company, made the following undertakings:
 - a. COSCO Shipping Group and other companies controlled by it shall avoid unnecessary connected transactions with to the Company as much as possible. In respect of those connected transactions necessary for the continuing operation of the Company, they shall be conducted in a manner agreed by both parties, in accordance with market-based pricing principles and in compliance with the relevant laws, regulations and governing documents, as well as the Company's articles of associations and policies in place regarding connected transactions.

- b. COSCO Shipping Group and other companies controlled by it shall avoid or reduce connected transactions with the Company as much as possible in the future. For those connected transactions that are unavoidable or that arise out of reasonable cause, COSCO Shipping Group undertakes to enter into agreements in respect of those connected transactions with the Company in accordance with the relevant laws, regulations and governing documents, as well as the Company's articles of associations and policies in place regarding connected transactions, to adhere to general market-oriented principles of impartiality, fairness and openness, to ensure that all connected transactions are fair and conducted in compliance with laws, and to carry out transaction procedures and make timely information disclosure in accordance with the relevant laws and regulations and the requirements of regulatory documents.

- c. The undertakings from COSCO Shipping Group on regulating connected transactions will also apply to other companies controlled by COSCO Shipping Group. COSCO Shipping Group will, to the extent permitted by laws, procure other companies controlled by it to perform their obligations on regulating those connected transactions that have been or may be conducted with the Company.

COSCO Shipping Group has actively performed its undertakings to limit connected transactions and has taken necessary steps since it has had indirect control over the Company with to avoid or reduce connected transactions. For those unavoidable or necessary connected transactions, it shall ensure that they are fair and carried out in compliance with laws.

IV. UNDERTAKINGS ON USE OF CAPITAL

To protect the interests of the Company's minority shareholders, China Shipping as the controlling shareholder of the Company and COSCO Company as the counterparty in the Company's material asset restructuring, jointly made the following undertakings on 29 March 2016 in relation to the debts arising from the borrowings and payables between CS Bulk and its subsidiaries and the Company and its subsidiaries:

- a. The debts of CS Bulk and its subsidiaries arising from the borrowings and payables owing to the Company and its subsidiaries (except for debts arising from CS Bulk's internal consolidation of bulk carriers) shall be settled in full by China Shipping and/or its designated connected parties on or before the completion date of the material asset restructuring of the Company;
- b. COSCO Company agrees to bear joint and several liability for the settlement of the aforesaid debts to ensure that no non-operating capital of the Company and its subsidiaries will be used by CS Bulk and its subsidiaries following completion;
- c. China Shipping agrees to provide necessary financial assistance to CS Bulk and its subsidiaries for their capital requirements in their daily operation from the date of the relevant letter of undertaking.

After the completion of material asset restructuring, CS Bulk has already repaid the borrowings and payables owing to the Company. China Shipping and COSCO Company have proactively performed its undertakings to ensure that no non-operating capital of the Company and its subsidiaries will be used by CS Bulk and its subsidiaries.

V. PROFIT FORECAST AND COMPENSATION UNDERTAKINGS

- (1). Profit forecast and compensation commitment given by Shanghai Shipping (Group) Company, a wholly-owned subsidiary of China Shipping, in a share transfer.

COSCO SHIPPING Tanker (Shanghai) Co., Ltd. (上海中遠海運油品運輸有限公司, "Shanghai Tanker"), a wholly-owned subsidiary of the Company, acquired 20% equity interest in Shanghai Beihai Shipping Company Limited (上海北海船務股份有限公司, "Beihai Shipping") from Shanghai Shipping (Group) Company (上海海運(集團)公司, "Shanghai Shipping") for RMB830 million on 30 July 2014. Shanghai Shipping issued a "Letter of Compensation Undertakings" on 20 August 2014, pursuant to which

Shanghai Shipping undertook that after completion of the transaction, when the Company published its annual reports for the years 2014, 2015 and 2016, if the audited net profit attributable to shareholders of the parent company of Beihai Shipping in any year for the three years from 2014 to 2016 was unable to meet the profit forecast amount contained in the profit forecast audit report or the net profit amount forecast in the valuation report, whichever the higher (which were RMB370,311,100, RMB380,448,400 and RMB431,627,600 respectively), Shanghai Shipping will make a cash payment equivalent to 20% of the shortfall in net profit to Shanghai Tanker within 10 working days after publication of the Company's annual report for that year.

The net profit realized by Beihai Shipping in 2014 was RMB425,433,800, which was higher than the profit forecast amount.

The net profit realized by Beihai Shipping in 2015 was RMB486,968,100, which was higher than the profit forecast amount.

(2). On 29 March 2016, COSCO Company made the following undertaking:

COSCO Company has undertaken that the consolidated audited net profit of COSCO SHIPPING Tanker (Dalian) Co., Ltd. (大連中遠海運油品運輸有限公司, "Dalian Tanker"), attributable to shareholders of the parent for the three years from 2016 to 2018 shall be not less than RMB819 million. COSCO Company, as the party responsible for compensation, shall assume the compensation responsibility in respect of the difference between the actual net profit and the forecast net profit of Dalian Tanker.

4 Appendix

4.1 Consolidated Balance Sheet

Items	30 September 2016 RMB	31 December 2015 RMB
Current assets		
Cash and Cash Equivalents	9,615,319,644.47	4,908,977,899.22
Notes receivable	67,288,499.38	470,289,495.61
Accounts receivable	1,253,234,183.44	2,321,006,698.63
Funds paid in advance	621,797,818.51	508,215,200.88
Interest receivable	3,572,671.63	—
Dividends receivable	1,225,556.33	292,548,430.38
Other receivables	186,374,157.22	315,108,013.83
Inventory	353,395,352.70	715,085,657.98
Other current assets	2,576,450.16	767,651,334.99
Total Current Assets	12,101,211,662.21	10,302,455,403.15
Non-current liabilities		
Financial assets available for sale	158,932,089.70	163,187,161.24
Long-term receivables	1,257,340,850.06	2,119,286,105.71
Long-term equity investment	3,925,913,899.50	8,228,262,098.02
Investment properties	1,088,658,594.01	1,097,974,934.00
Fixed assets	29,233,984,249.52	55,494,366,003.87
Construction in progress	9,839,031,455.23	7,607,086,481.16
Intangible assets	89,257,713.58	108,810,037.48
Long-term deferred expenses	1,958,742.99	8,700,496.93
Deferred income tax asset	4,225,733.80	486,992,823.47
Total non-current assets	45,599,303,328.39	75,314,666,141.88
Total asset	57,700,514,990.60	85,617,121,545.03

Items	30 September 2016 RMB	31 December 2015 RMB
Current liabilities		
Short-term borrowings	2,663,512,201.85	5,789,593,406.22
Derivative financial liabilities	4,258,703.02	—
Accounts payable	1,173,636,526.97	1,477,972,072.11
Receipts in advance	303,517,029.90	530,834,690.42
Salaries and wages payable	98,052,137.11	115,973,994.78
Taxes payable	87,855,005.67	182,069,631.25
Interests payable	349,606,251.14	269,096,967.77
Dividends payable	241,979.02	241,979.02
Other payables	444,809,054.33	214,618,370.88
Non-current liabilities due within one year	5,639,452,207.67	5,322,985,189.85
Total current liabilities	10,760,682,393.66	13,907,645,005.32
Non-current liabilities		
Long-term borrowings	13,793,455,885.76	32,411,922,195.71
Bonds payable	3,981,126,451.94	3,978,488,211.00
Long-term payables	881,007,885.45	1,553,542,641.99
Long-term salaries and wages payable	119,200,000.00	160,805,299.16
Estimated liabilities	370,709,754.34	340,446,691.29
Deferred income	47,298.51	87,298.51
Deferred income tax liabilities	169,273,458.39	245,386,006.25
Other non-current liabilities	826,708,111.55	411,385,025.09
Total non-current liabilities	20,141,528,845.94	39,102,063,369.00
Total liabilities	30,902,211,239.60	53,009,708,374.32
Shareholders' equity		
Share capital	4,032,032,861.00	4,032,032,861.00
Capital reserve	7,597,367,292.44	14,226,642,078.95
Other comprehensive income	-176,641,320.51	-489,808,810.51
Specific reserve	57,401,421.82	82,625,287.88
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	12,836,476,549.31	11,015,611,913.72
Total equity attributable to owners of the parent company	27,224,073,150.50	31,744,539,677.48
Minority interests	-425,769,399.50	862,873,493.23
Total shareholders' equity	26,798,303,751.00	32,607,413,170.71
Total liabilities and shareholders' equity	57,700,514,990.60	85,617,121,545.03

Balance Sheet of Parent Company

Items	30 September 2016 RMB	31 December 2015 RMB
Current assets		
Cash and cash equivalents	3,460,377,361.53	375,220,780.02
Interests receivable	115,294,748.86	88,067,339.12
Dividends receivable		275,000,000.00
Other receivables	1,674,335,293.01	10,093,145,327.93
Other current assets		12,801,345.16
Total Current Assets	5,250,007,403.40	10,844,234,792.23
Non-current assets		
Financial assets available for sale	29,454,546.00	29,454,546.00
Held-to-maturity investments	7,000,000,000.00	10,064,936,000.00
Long-term equity investment	16,312,136,438.20	17,017,161,932.37
Investment properties	1,226,464,131.00	1,226,464,131.00
Fixed assets	64,479,693.80	65,441,435.65
Intangible assets	3,179,244.24	5,090,947.08
Total non-current assets	24,635,714,053.24	28,408,548,992.10
Total assets	29,885,721,456.64	39,252,783,784.33
Current liabilities		
Short-term borrowings	—	824,680,000.00
Salaries and wages payable	3,084,403.43	1,318,878.09
Taxes payable	-15,207,773.88	9,244,707.98
Interests payable	128,306,300.62	131,409,729.47
Other payables	2,064,027,331.73	2,078,702,087.16
Total current liabilities	2,180,210,261.90	3,045,355,402.70
Non-current liabilities		
Long-term borrowings		5,800,000,000.00
Bonds payable	3,981,126,451.94	3,978,488,211.00
Deferred income tax liabilities	169,250,983.65	169,250,983.65
Total non-current liabilities	4,150,377,435.59	9,947,739,194.65
Total liabilities	6,330,587,697.49	12,993,094,597.35
Shareholders' equity		
Share capital	4,032,032,861.00	4,032,032,861.00
Capital reserve	7,845,997,235.61	7,765,430,636.94
Other comprehensive income	274,283,785.31	274,283,785.31
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	8,525,383,530.79	11,310,505,557.29
Total shareholders' equity	23,555,133,759.15	26,259,689,186.98
Total liabilities and shareholders' equity	29,885,721,456.64	39,252,783,784.33

4.2 Consolidated Income Statement

Items	July- September 2016 RMB	July- September 2015 RMB	January- September 2016 RMB	January- September 2015 RMB
1. Gross revenue from operations	2,169,162,275.86	4,735,086,038.51	10,715,772,117.93	12,986,880,069.64
Including: revenue from operation	2,169,162,275.86	4,735,086,038.51	10,715,772,117.93	12,986,880,069.64
2. Gross cost from operations	2,004,551,218.08	4,389,133,591.19	9,638,277,299.88	11,986,234,113.80
Including: cost from operation	1,660,110,715.69	3,698,756,666.90	8,147,508,362.61	10,360,984,025.00
Business taxes and other surcharges	4,053,474.43	10,237,692.81	18,019,384.48	22,240,559.31
Sales expenses	4,416,836.39	31,085,367.04	55,079,065.80	62,461,177.89
Administrative expenses	122,092,234.33	176,548,971.47	488,214,884.71	434,682,742.10
Financial expenses	213,973,547.71	472,504,892.97	929,491,362.37	1,105,865,609.50
Loss on impairment of assets	-95,590.47	—	-35,760.09	—
Add: Gain from changes in fair value (Loss stated with “-”)	6,691,634.31	3,210,221.16	3,750,354.72	6,718,000.00
Investment income (Loss stated with“-”)	144,198,815.53	133,283,677.47	1,286,723,070.51	257,480,123.11
Including: investment income from associates and joint ventures	109,373,319.16	118,650,412.13	284,364,023.64	245,597,911.86
3. Operating profit	315,501,507.62	482,446,345.95	2,367,968,243.28	1,264,844,078.95
Add: Non-operating revenue	212,824,558.05	96,745,467.98	233,335,852.39	1,255,731,389.22
Less: Non-operating expenditure	86,215,355.92	31,186,136.14	215,714,755.33	1,206,665,158.82
Including: Loss arising from disposal of non-current assets	286,499.53	6,995,512.61	3,112,282.30	1,184,116,643.23
4. Gross profit	442,110,709.75	548,005,677.79	2,385,589,340.34	1,313,910,309.35
Less: Income tax	37,073,506.18	56,646,916.82	137,540,177.92	-48,311,505.64
5. Net profit	405,037,203.57	491,358,760.97	2,248,049,162.42	1,362,221,814.99
Net profit attributable to owners of parent company	403,717,382.08	490,414,793.43	2,224,067,921.69	1,328,466,704.77
Net profit attributable to minority shareholders	1,319,821.49	943,967.54	23,981,240.73	33,755,110.22
6. Other comprehensive net income after tax	-71,393,998.16	123,484,002.19	-288,871,953.57	116,269,584.33
Other comprehensive net income after tax attributable to owners of parent company	-53,581,150.81	143,046,558.90	-48,864,227.04	118,112,064.40
(1) Other comprehensive income that may not be subsequently reclassified into profit or loss	—	—	530,000.00	—

Items	July- September 2016 RMB	July- September 2015 RMB	January- September 2016 RMB	January- September 2015 RMB
Including: 1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans	—	—	530,000.00	—
(2) Other comprehensive income to be re-classified to profit or loss	-53,581,150.81	143,046,558.90	-49,394,227.04	118,112,064.40
Including: 1. Share of other comprehensive income to be re-classified to profit or loss in an investee in accordance with equity method	7,667,195.09	-9,622,526.89	13,500,715.63	-3,748,870.57
2. Effective parts of profit or loss on cash flow hedges	-13,133,389.52	-35,426,895.95	-162,257,873.45	-25,464,037.87
3. The difference between the translation of foreign currency financial statements	-48,114,956.38	188,095,981.74	99,362,930.78	147,324,972.84
Other comprehensive net income after tax attributable to minority shareholders	-17,812,847.35	-19,562,556.71	-240,007,726.53	-1,842,480.07
7. Total comprehensive income	333,643,205.41	614,842,763.16	1,959,177,208.85	1,478,491,399.32
Total comprehensive income attributable to owners of parent company	350,136,231.27	633,461,352.33	2,175,203,694.65	1,446,578,769.17
Total comprehensive income attributable to minority shareholders	-16,493,025.86	-18,618,589.17	-216,026,485.80	31,912,630.15
8. Earnings per share				
(1) Basic	0.1001	0.1160	0.5516	0.3354
(2) Diluted	0.1001	0.1160	0.5516	0.3354

The Company acquired a subsidiary in the combination of business under common control this year. Net profit of such subsidiary prior to the combination was RMB628,586,112.22. Net profit of such subsidiary during January - September 2015 was RMB637,845,000.

Income Statement of Parent Company

Items	July- September 2016 RMB	July- September 2015 RMB	January- September 2016 RMB	January- September 2015 RMB
1. Revenue from operations	8,701,410.22	17,551,430.37	22,496,331.65	51,485,005.02
Less: cost from operation	—	21,181,697.76	—	70,363,889.63
Business taxes and other surcharges	35,315.96	387,741.03	4,622,885.75	2,787,448.85
Sales expenses	3,527,439.57	—	4,640,548.86	—
Administrative expenses	-4,736,983.65	9,483,698.85	80,785,860.00	21,949,207.63
Financial expenses	72,170,062.15	152,929,052.36	306,915,329.34	373,610,623.82
Add: Gain from changes in fair value (Loss stated with “-”)	-1,062,307.00	—	—	—
Investment income (Loss stated with“-”)	101,411,079.53	165,505,518.62	-1,982,099,687.16	374,702,665.82
Including: investment income from associates and joint ventures	11,150,368.89	41,956,659.72	29,366,951.77	7,798,282.37
2. Operating profit	38,054,348.72	-925,241.01	-2,356,567,979.46	-42,523,499.09
Add: Non-operating revenue	—	19,567,675.00	79,900.82	245,676,876.19
Less: Non-operating expenditure	1,504.00	-36,822,264.62	11,685.87	760,065.32
Including: Loss arising from disposal of non-current assets	—	438.83	2,926.87	950.23
3. Gross profit	38,052,844.72	55,464,698.61	-2,356,499,764.51	202,393,311.78
Less: Income tax	-2,218,478.61	-1,918,512.25	25,418,975.89	—
4. Net profit	40,271,323.33	57,383,210.86	-2,381,918,740.40	202,393,311.78
5. Net other comprehensive income after tax	3,182,581.68	-2,999,891.39	—	—
Other comprehensive income to be re-classified to profit or loss	3,182,581.68	-2,999,891.39	—	—
Including: Share of other comprehensive income to be re-classified to profit or loss in an investee in accordance with equity method	3,182,581.68	-2,999,891.39	—	—
6. Total comprehensive income	43,453,905.01	54,383,319.47	-2,381,918,740.40	202,393,311.78
7. Earnings per share				
(1) Basic	0.0100	0.0142	-0.5907	0.0565
(2) Diluted	0.0100	0.0142	-0.5907	0.0565

4.3 Consolidated Cash Flow Statement

Items	January - September 2016 RMB	January - September 2015 RMB
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	10,723,188,890.65	12,266,085,401.24
Cash received from return of taxes and fees	197,097,248.65	248,050,470.42
Cash received from other related operating activities	13,053,403,209.32	1,430,224,834.45
Subtotal of cash inflow from operating activities	23,973,689,348.62	13,944,360,706.11
Cash paid for goods and services	5,670,292,030.38	6,100,477,658.96
Cash paid to or on behalf of employees	1,410,975,926.77	1,461,593,897.75
Taxes paid	484,932,603.20	264,561,776.20
Other cash paid relating to operating activities	1,503,492,988.01	712,265,140.95
Subtotal of cash outflow from operating activities	9,069,693,548.36	8,538,898,473.86
Net cash flows from operating activities	14,903,995,800.26	5,405,462,232.25
2. Cash flows from investing activities		
Cash received from withdrawal of investment	5,754,973,897.21	204,787,000.00
Cash inflow from return on investment	1,005,271,388.45	154,503,754.22
Net cash inflow from disposal of fixed, intangible and other long-term assets	24,263.16	464,013,060.08
Net cash received from disposal of subsidiaries and other business units	8,250,431,088.09	—
Other cash received relating to investing activities	—	611,900,000.00
Subtotal of cash inflow from investing activities	15,010,700,636.91	1,435,203,814.30
Cash paid for purchase of fixed, intangible and other long-term assets	1,683,148,825.42	3,822,623,470.83
Cash paid for investment	7,042,419,259.42	1,491,362,058.45
Other cash paid relating to investing activities	1,203,842,119.76	19,000.00
Subtotal of cash outflow from investing activities	9,929,410,204.60	5,314,004,529.28
Net cash flows from investing activities	5,081,290,432.31	-3,878,800,714.98
3. Cash flows from financing activities		
Cash received from investments	449,097.74	24,390,000.00
Cash received from borrowings	2,764,451,522.47	11,891,454,454.91
Cash received from other financing activities	19,981,324.92	110,941,000.00
Sub-total of cash inflows of financing activities	2,784,881,945.13	12,026,785,454.91
Cash paid for payment of debts	16,684,495,781.68	12,518,772,083.99
Cash paid for distribution of dividends or profits and for interest expenses	1,390,625,104.97	1,270,561,514.90
Including: Dividends and profit distributed to minority shareholders by subsidiaries	11,850,000.00	—
Other cash paid relating to financing activities	100,835,760.16	180,170,261.72
Subtotal of cash outflow from financing activities	18,175,956,646.81	13,969,503,860.61
Net cash flows from financing activities	-15,391,074,701.68	-1,942,718,405.70
4. Effect on cash and cash equivalents from change of exchange rates	112,302,782.86	110,554,213.35
5. Net increase in cash and cash equivalents	4,706,514,313.75	-305,502,675.08
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	4,863,246,614.72	5,058,991,277.90
6. Balance of cash and cash equivalents at the end of the Reporting Period	9,569,760,928.47	4,753,488,602.82

Cash Flow Statement of Parent Company

Items	January - September 2016 RMB	January - September 2015 RMB
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	22,496,331.65	591,894.41
Cash received from return of taxes and fees	39,900.82	59,201.19
Cash received from other related operating activities	6,546,474,637.60	4,011,536,578.11
Subtotal of cash inflow from operating activities	6,569,010,870.07	4,012,187,673.71
Cash paid for goods and services	770,371.58	8,161,810.70
Cash paid to or on behalf of employees	23,102,521.15	10,438,662.27
Taxes paid	37,001,537.99	7,134,702.49
Other cash paid relating to operating activities	181,677,048.68	1,486,666,589.63
Subtotal of cash outflow from operating activities	242,551,479.40	1,512,401,765.09
Net cash flows from operating activities	6,326,459,390.67	2,499,785,908.62
2. Cash flows from investing activities		
Cash received from withdrawal of investment	4,066,312,000.00	1,000,000,000.00
Cash inflow from return on investment	710,878,028.78	425,341,266.29
Net cash received from disposal of subsidiaries and other business units	5,332,385,800.00	—
Subtotal of cash inflow from investing activities	10,109,575,828.78	1,425,341,266.29
Cash paid for investment	7,629,408,800.00	2,827,547,078.77
Subtotal of cash outflow from investing activities	7,629,408,800.00	2,827,547,078.77
Net cash flows from investing activities	2,480,167,028.78	-1,402,205,812.48
3. Cash flows from financing activities		
Cash received from borrowings	—	1,907,827,333.33
Other cash received relating to financing activities	1,143,854,000.00	851,123,627.09
Sub-total of cash inflows of financing activities	1,143,854,000.00	2,758,950,960.42
Cash paid for payment of debts	6,122,945,000.00	3,146,675,437.82
Cash paid for distribution of dividends or profits and for interest expenses	740,344,077.20	567,202,958.73
Other cash paid relating to financing activities		892,958,196.92
Subtotal of cash outflow from financing activities	6,863,289,077.20	4,606,836,593.47
Net cash flows from financing activities	-5,719,435,077.20	-1,847,885,633.05
4. Effect on cash and cash equivalents from change of exchange rates	-2,034,760.74	67,808.64
5. Net increase in cash and cash equivalents	3,085,156,581.51	-750,237,728.27
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	375,220,780.02	1,129,655,058.98
6. Balance of cash and cash equivalents at the end of the Reporting Period	3,460,377,361.53	379,417,330.71

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
28 October 2016

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Sun Jiakang, 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. Wang Wusheng, Mr. Ruan Yongping, Mr. Ip Sing Chi, Mr. Rui Meng and Mr. Teo Siong Seng as independent non-executive Directors.