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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 2017

Summary

This Report for the three months ended 31 March 2017 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 2017 (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**”).

1.2 The Company implemented significant asset restructuring in the first half of 2016 and acquired 100% equity interests in Dalian Ocean Shipping Company Limited (hereinafter referred to “Dalian Tanker”) from China Ocean Shipping (Group) Company and disposed of 100% equity interests in China Shipping Bulk Carrier Co., Limited (hereinafter referred to “CS Bulk”) held by the Company to China COSCO Bulk Shipping (Group) Co., Ltd.

Since Dalian Tanker acquired by the Company is a company under ultimate control by the same party, pursuant to Article 32 of the “Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements,” the Company made a retrospective adjustment to the relevant item for the first quarter of 2016 accordingly.

As a whole, the operating results (before adjusted) of the Group for the first quarter of 2016 included the oil and gas transportation business of former China Shipping Development Co., Ltd. and the dry bulk cargo transportation business of CS Bulk, while the operating results (after adjusted) included the oil and gas transportation business of Dalian Tanker and former China Shipping Development Co., Ltd. and the dry bulk cargo transportation business of CS Bulk. The operating results of the Group for the first quarter of 2017 included the oil and gas transportation business of Dalian Tanker and former China Shipping Development Co., Ltd.

2. PARTICULARS OF THE COMPANY

Principal financial data and statistics highlights

Item	As at 31 March 2017	As at 31 December 2016		Increase/ Decrease (%)
		After adjusted	Before adjusted	
Total assets (RMB)	59,266,540,085.63	58,021,823,220.44	58,021,823,220.44	2.15
Net assets attributable to shareholders of the Company (RMB)	27,938,927,668.48	27,413,089,453.28	27,413,089,453.28	1.92

	For the three months ended 31 March 2017	For the three months ended 31 March 2016		Increase/ Decrease (%)
Net cash flow from operating activities (RMB)	779,242,880.68	1,570,530,575.82	1,030,537,001.04	-50.38

	For the three months ended 31 March 2017	For the three months ended 31 March 2016		Increase/ Decrease (%)
Revenue from operation (RMB)	2,664,732,283.50	4,350,887,663.96	3,150,062,762.21	-38.75
Net profit attributable to shareholders of the Company (RMB)	563,114,677.62	546,348,783.92	154,679,652.49	3.07
Net profit attributable to shareholders of the Company after exceptional items (RMB)	560,444,641.67	540,584,083.43	149,186,452.00	3.67
Rate of returns on net assets (%) (weighted)	2.03	1.71	0.6	Increase by 0.32 percentage points
Basic earnings per share (RMB)	0.1397	0.1355	0.0384	3.07
Diluted earnings per share (RMB)	0.1397	0.1355	0.0384	3.07

	For the three months ended 31 March 2017
Items	<i>Amount (RMB)</i>
Profit and Loss on disposal of non-current assets	-23,795.67
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	216,315.65
Other profits or losses within the definition of extraordinary profit or loss	3,375,715.22
Minority interests effect (after tax)	-6,140.45
Income tax effect	-892,058.80
Total	2,670,035.95

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					131,893
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)	1,284,634,996	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	2.30	0	Nil	Stated-owned entity
China Securities Finance Co., Ltd. (中國證券金融股份有限公司)	27,849,641	0.69	0	Nil	Stated-owned entity

Total number of shareholders				131,893	
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
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
Li Zhengyi(黎正義)	16,818,214	0.42	0	Nil	Domestic nature person
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
Huang Peiling (黃佩玲)	12,596,324	0.31	0		Domestic nature 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) Company(1)	1,536,924,595	RMB ordinary shares
HKSCC NOMINEES LIMITED(2)	1,284,634,996	Offshore listed H shares
Central Huijin Assets Management Company Ltd	92,709,700	RMB ordinary shares
China Securities Finance Co., Ltd.	27,849,641	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
Agricultural Bank of China Company Limited - Wells Fargo CSI State-owned Enterprises Reform Index Classification Securities Investment Fund	16,818,214	RMB ordinary shares
Li Zhengyi	12,596,453	RMB ordinary shares
Southern Fund - Agricultural Bank of China - Southern CSI Financial Asset Management Plan	12,596,324	RMB ordinary shares
Huang Peiling	1,536,924,595	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	2017.03.31	2016.12.31	Change(%)	Reason for Significant Changes
Prepayments	495,103,278.88	426,873,115.89	15.98	<i>Notes (1)</i>
Other current assets	95,607,329.04	137,152,021.21	-30.29	<i>Notes (2)</i>
Staff remuneration payable	123,489,162.13	178,394,824.18	-30.78	<i>Notes (3)</i>
Interest payable	156,007,624.29	101,782,383.36	53.28	<i>Notes (4)</i>

Notes:

- (1) Prepayments increased by 15.98% compared to that at the beginning of the period, which was mainly attributed to pre-paid port cost of the Group.
- (2) Other current assets decreased by 30.29% compared to that at the beginning of the period, which was mainly attributed to a reduction in the amount of VAT not deducted of the Group.
- (3) Staff remuneration payable decreased by 30.78% compared to that at the beginning of the period, which was mainly attributed to the remuneration accrued at the end of 2016 was paid in early 2017 by the Group.
- (4) Interest payable increased by 53.28% compared to that at the beginning of the period, which was mainly attributed to the fact that the payment date of interest accrued on the bonds of the Group was not due.

Income Statement Items	January to March 2017	January to March 2016	Change (%)	Reason for Significant Changes
Operating revenue	2,664,732,283.50	4,350,887,663.96	-38.75	<i>Note 5</i>
Operating cost	1,828,938,055.30	3,322,788,823.94	-44.96	
Administrative expenses	96,421,782.78	167,036,883.32	-42.28	
Finance expenses	156,893,185.69	290,194,528.60	-45.94	
Investment income	95,934,787.80	62,826,587.53	52.7	

Notes:

- (5) Operating turnover, operating costs, administrative expenses and financial expenses decreased significantly over the same period last year and investment gains increased significantly over the same period last year, which was mainly attributed to the fact that the Group was still operating the dry bulk cargo business in the same period last year, and the business scale is larger than this year, and the performance of the joint venture company is weaker than this year.

Cash Flow Statement Items	January to March 2017	January to March 2016	Change(%)	Reason for Significant Changes
Net cash flow from Operating activities	779,242,880.68	1,570,530,575.82	-50.38	<i>Note (6)</i>
Net cash flow from Investing activities	-958,997,261.06	876,059,168.80	-209.47	<i>Note (7)</i>
Net cash flow from Financing activities	204,218,405.00	-1,315,554,232.98	115.52	<i>Note (8)</i>

Notes:

- (6) Net cash flow generated from operating activities declined by 50.38% over the same period last year, which was mainly attributed to the fact that the Group was still operating the dry bulk cargo business in the same period last year and the scale of business operated was larger than this year.
- (7) Net cash flow generated from investing activities declined by 209.47% over the same period last year, which was mainly attributed to the fact that the Company recovered a large amount of loans granted to joint ventures in the previous period.
- (8) Net cash flow generated from financing activities increased by 115.52% over the same period last year, which was mainly attributed to the repayment of a large amount of loans by the Group in the same period last year.

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

Not applicable

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 2017 <i>RMB</i>	31 December 2016 <i>RMB</i>
Current assets		
Cash and cash equivalents	6,398,361,925.00	6,388,717,618.66
Notes receivable	78,030,910.73	74,076,177.86
Accounts receivable	1,271,437,419.06	1,132,382,089.98
Prepayments	495,103,278.88	426,873,115.89
Interests receivable	2,201,097.94	1,883,436.94
Dividends receivable	1,225,556.33	1,225,556.33
Other receivables	421,994,472.26	341,850,059.85
Inventory	539,622,978.13	451,401,830.11
Non-current assets maturing within one year	18,779,378.27	18,899,240.36
Other current assets	95,607,329.04	137,152,021.21
Total current assets	9,322,364,345.64	8,974,461,147.19
Non-current liabilities		
Financial assets available for sale	295,604,996.77	279,761,297.31
Long-term receivables	1,663,028,266.43	1,453,585,051.23
Long-term equity investment	4,393,217,275.88	4,164,349,905.73
Investment properties	1,103,959,949.41	1,104,907,492.36
Fixed assets	34,325,124,881.17	32,928,541,240.64
Construction in progress	7,967,102,530.57	8,917,825,126.78
Intangible assets	84,481,845.87	86,610,076.87
Goodwill	58,168,418.21	58,168,418.21
Long-term deferred expenses	1,199,617.01	1,355,949.47

Items	31 March 2017 <i>RMB</i>	31 December 2016 <i>RMB</i>
Deferred income tax asset	52,287,958.67	52,257,514.65
Total non-current assets	49,944,175,739.99	49,047,362,073.25
Total asset	59,266,540,085.63	58,021,823,220.44
Current liabilities		
Short-term borrowings	1,778,856,365.01	1,872,990,050.99
Accounts payable	1,306,170,413.17	1,349,983,852.11
Receipts in advance	206,089,834.69	218,889,646.39
Staff remuneration payable	123,489,162.13	178,394,824.18
Taxes payable	121,754,171.09	155,866,402.25
Interests payable	156,007,624.29	101,782,383.36
Dividends payable	241,979.02	241,979.02
Other payables	606,576,693.47	630,607,856.84
Non-current liabilities to be mature within one year	2,736,387,409.26	2,753,894,652.31
Total current liabilities	7,035,573,652.13	7,262,651,647.45
Non-current liabilities		
Long-term borrowings	17,749,382,113.64	16,881,808,990.99
Bonds payable	3,982,953,609.44	3,982,045,490.54
Long-term payables	1,106,525,424.99	1,049,819,591.86
Long-term Staff remuneration payable	151,794,818.17	156,165,181.83
Estimated liabilities	492,645,604.73	495,337,579.16
Deferred income	631.84	7,298.51
Deferred income tax liabilities	298,734,671.82	295,917,042.29
Other non-current liabilities	493,172,817.91	474,988,203.50
Total non-current liabilities	24,275,209,692.54	23,336,089,378.68
Total liabilities	31,310,783,344.67	30,598,741,026.13
Shareholders' equity		
Share capital	4,032,032,861.00	4,032,032,861.00
Capital reserve	7,595,204,953.51	7,595,204,953.51
Other comprehensive income	313,545,147.92	363,172,472.04
Specific reserve	59,996,171.08	47,645,309.38
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	13,060,712,188.53	12,497,597,510.91
Total equity attributable to owners of the parent company	27,938,927,668.48	27,413,089,453.28
Minority interests	16,829,072.48	9,992,741.03
Total shareholders' equity	27,955,756,740.96	27,423,082,194.31
Total liabilities and shareholders' equity	59,266,540,085.63	58,021,823,220.44

Balance Sheet of the Company

Items	31 March 2017 RMB	31 December 2016 RMB
Current assets		
Cash and cash equivalents	2,492,131,659.90	2,648,015,576.70
Prepayments	38,394.90	38,394.90
Interests receivable	104,538,264.09	57,985,525.11
Other receivables	2,677,946,854.87	2,654,296,293.95
Other current assets	12,030,525.86	12,030,525.86
Total current assets	5,286,685,699.62	5,372,366,316.52
Non-current liabilities		
Held-to-maturity investments	7,000,000,000.00	7,000,000,000.00
Long-term equity investment	16,759,116,003.74	16,591,945,762.49
Investment properties	1,227,748,666.00	1,227,748,666.00
Fixed assets	63,153,782.49	63,736,180.49
Intangible assets	1,911,702.83	2,548,937.11
Total non-current assets	25,051,930,155.06	24,885,979,546.09
Total asset	30,338,615,854.68	30,258,345,862.61
Current liabilities		
Staff remuneration payable	12,527,757.24	26,807,380.62
Taxes payable	2,110,232.89	10,996,660.72
Interests payable	101,404,382.81	53,104,383.56
Other payables	2,520,060,567.13	2,527,010,034.85
Total current liabilities	2,636,102,940.07	2,617,918,459.75
Non-current liabilities		
Bonds payable	3,982,953,609.44	3,982,045,490.54
Deferred income tax liabilities	173,476,028.10	173,476,028.10
Total non-current liabilities	4,156,429,637.54	4,155,521,518.64
Total liabilities	6,792,532,577.61	6,773,439,978.39
Shareholders' equity		
Share capital	4,032,032,861.00	4,032,032,861.00
Capital reserve	7,844,457,084.62	7,844,457,084.62
Other comprehensive income	271,137,193.06	271,137,193.06
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	8,521,019,791.95	8,459,842,399.10
Total shareholders' equity	23,546,083,277.07	23,484,905,884.22
Total liabilities and shareholders' equity	30,338,615,854.68	30,258,345,862.61

Consolidated Income Statement

Items	January-March 2017	January-March 2016
	RMB	(Restated) RMB
1. Total operating revenue	2,664,732,283.50	4,350,887,663.96
Including: Operating revenue	2,664,732,283.50	4,350,887,663.96
2. Total cost of sales	2,105,988,234.56	3,808,492,107.83
Including: Operating cost	1,828,938,055.30	3,322,788,823.94
Business taxes and other surcharges	12,914,837.71	5,341,749.60
Sales expenses	10,842,527.69	23,130,122.37
Administrative expenses	96,421,782.78	167,036,883.32
Financial expenses	156,893,185.69	290,194,528.60
Loss on impairment of assets	-22,154.61	
Add: Investment income (“-” for investment loss)	95,934,787.80	62,826,587.53
Including: investment income from associates and joint ventures	95,934,787.80	106,955,862.73
3. Operating profit (“-” for operating loss)	654,678,836.74	605,222,143.66
Add: Non-operating revenue	3,669,505.01	16,676,934.50
Less: Non-operating expenditure	101,269.81	1,304,271.50
Including: Loss arising from disposal of non-current assets	23,795.67	
4. Gross profit (“-” for gross loss)	658,247,071.94	620,594,806.66
Less: Income tax	63,333,160.08	72,074,901.46
5. Net profit (“-” for net loss)	594,913,911.86	548,519,905.20
Net profit attributable to owners of parent company	563,114,677.62	546,348,783.92
Net profit attributable to minority shareholders	31,799,234.24	2,171,121.28
6. Other comprehensive net income after tax	-74,590,226.91	-288,760,083.58
Other comprehensive net income after tax attributable to owners of parent company	-49,627,324.12	-141,443,972.09

Items	January-March 2017 <i>RMB</i>	January-March 2016 <i>(Restated)</i> <i>RMB</i>
Other comprehensive income to be re-classified to profit or loss	-49,627,324.12	-141,443,972.09
Including:		
(1) Share of other comprehensive income to be re-classified to profit or loss in an investee in accordance with equity method	263,671.47	-6,948,000.00
(2) Gain or loss from changes in the fair values of available-for-sale financial assets	6,065,199.25	
(3) effective parts of profit or loss on cash flow hedges	-7,748,703.41	-102,753,292.99
(4) The difference between the translation of foreign currency financial statements	-48,207,491.43	-31,742,679.10
Other comprehensive net income after tax attributable to minority shareholders	-24,962,902.79	-147,316,111.49
7. Total comprehensive income	520,323,684.95	259,759,821.62
Total comprehensive income attributable to owners of parent company	513,487,353.50	404,904,811.83
Total of comprehensive income attributable to minority shareholders	6,836,331.45	-145,144,990.21
8. Earnings per share		
(1) Basic earnings per share (RMB per share)	0.1397	0.1355
(2) Diluted earnings per share (RMB per share)	0.1397	0.1355

Income Statement of the Company

Items	January-March 2017 <i>RMB</i>	January-March 2016 <i>(Restated)</i> <i>RMB</i>
1. Total operating revenue	8,951,533.69	4,849,476.92
Less: Business taxes and other surcharges	73,019.81	274,612.92
Sales expenses	10,842,527.69	
Administrative expenses	6,796,614.82	7,307,764.05
Financial expenses	21,733,979.12	100,659,804.31
Add: Investment income (“-” for investment loss)	91,672,000.60	147,944,090.34
Including: investment income from associates and joint ventures	14,975,425.25	9,976,984.83
2. Operating profit (“-” for operating loss)	61,177,392.85	44,551,385.98
Add: Non-operating revenue		40,000.00
Less: Non-operating expenditure		8,181.87
Including: Loss arising from disposal of non-current assets		2,926.87
3. Gross profit (“-” for gross loss)	61,177,392.85	44,583,204.11
4. Net profit (“-” for net loss)	61,177,392.85	44,583,204.11
5. Total comprehensive income	61,177,392.85	44,583,204.11
6. Earnings per share		
(1) Basic earnings per share (RMB per share)	0.0152	0.0111
(2) Diluted earnings per share (RMB per share)	0.0152	0.0111

Consolidated Cash Flow Statement

Items	January-March 2017 <i>RMB</i>	January-March 2016 <i>(Restated)</i> <i>RMB</i>
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	2,531,620,160.27	4,414,134,674.67
Cash received from tax rebates	39,402,157.51	113,028,717.52
Cash received from other related operating activities	307,973,668.23	378,643,321.09
Subtotal of cash inflow from operating activities	2,878,995,986.01	4,905,806,713.28
Cash paid for goods and services	1,176,957,052.72	2,141,334,004.84
Cash paid to or on behalf of employees	282,220,533.24	553,738,785.59
Taxes paid	132,364,761.02	184,821,896.88
Other cash paid relating to operating activities	508,210,758.35	455,381,450.15
Subtotal of cash outflow from operating activities	2,099,753,105.33	3,335,276,137.46
Net cash flows from operating activities	779,242,880.68	1,570,530,575.82
2. Cash flows from investing activities		
Cash received from disposal of investments	3,789,381.33	1,133,903,261.73
Cash received from gains in investments		385,928,615.53
Net cash inflow from disposal of fixed, intangible and other long-term assets		5,030.00
Subtotal of cash inflow from investing activities	3,789,381.33	1,519,836,907.26
Cash paid for purchase of fixed, intangible and other long-term assets	574,891,199.88	500,818,548.12
Cash paid for investment	235,700,626.51	144,641,615.56

Items	January-March 2017 <i>RMB</i>	January-March 2016 <i>(Restated)</i> <i>RMB</i>
Net cash paid for acquisition of subsidiaries and other operating entities	152,194,816.00	
Other cash paid relating to investment activities		-1,682,425.22
Subtotal of cash outflow from investing activities	962,786,642.39	643,777,738.46
Net cash flows from investing activities	-958,997,261.06	876,059,168.80
3. Cash flows from financing activities		
Cash received from borrowings	1,162,542,306.68	1,042,612,409.57
Cash received relating to other financing activities	18,823,207.83	
Subtotal of cash inflow from financing activities	1,181,365,514.51	1,042,612,409.57
Cash paid for payment of debts	865,925,341.79	2,140,922,367.68
Cash paid for distribution of dividends or profits and for interest expenses	59,343,745.52	210,942,020.71
Cash paid for other related financing activities	51,878,022.20	6,302,254.16
Subtotal of cash outflow from financing activities	977,147,109.51	2,358,166,642.55
Net cash flows from financing activities	204,218,405.00	-1,315,554,232.98
4. Effect on cash and cash equivalents from change of exchange rates	-14,819,718.28	-27,361,717.24
5. Net increase in cash and cash equivalents	9,644,306.34	1,103,673,794.40
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	6,388,717,618.66	4,863,246,552.68
6. Balance of cash and cash equivalents at the end of the Reporting Period	6,398,361,925.00	5,966,920,347.08

Cash Flow Statement of the Company

Items	January-March 2017 <i>RMB</i>	January-March 2016 <i>(Restated)</i> <i>RMB</i>
1. Cash flows from operating activities		
Cash received from other related operating activities	134,620,572.27	12,410,781.36
Subtotal of cash inflow from operating activities	134,620,572.27	12,410,781.36
Cash paid for goods and services	313,206.26	32,010.44
Cash paid to or on behalf of employees	33,587,623.26	3,467,136.56
Taxes paid	9,008,380.51	389,970.57
Other cash paid relating to operating activities	123,432,531.12	112,941,522.86
Subtotal of cash outflow from operating activities	166,341,741.15	116,830,640.43
Net cash flows from operating activities	-31,721,168.88	-104,419,859.07
2. Cash flows from investing activities		
Cash received from gains in investments	28,500,000.00	430,851,716.22
Subtotal of cash inflow from investing activities	28,500,000.00	430,851,716.22
Net cash paid for acquisition of subsidiaries and other operating entities	152,194,816.00	
Subtotal of cash outflow from investing activities	152,194,816.00	
Net cash flows from investing activities	-123,694,816.00	430,851,716.22
3. Cash flows from financing activities		
Cash paid for distribution of dividends or profits and for interest expenses		28,720,011.68
Subtotal of cash outflow from financing activities		28,720,011.68

Items	January-March 2017 <i>RMB</i>	January-March 2016 <i>(Restated)</i> <i>RMB</i>
Net cash flows from financing activities		-28,720,011.68
4. Effect on cash and cash equivalents from change of exchange rates	-467,931.92	-12,940.67
5. Net increase in cash and cash equivalents	-155,883,916.80	297,698,904.80
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	2,648,015,576.70	375,220,780.02
6. Balance of cash and cash equivalents at the end of the Reporting Period	2,492,131,659.90	672,919,684.82

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.

Shanghai, the PRC
28 April 2017

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

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.

** For identification purpose only*