

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)

First Quarterly Report of 2018

SUMMARY

This Report for the three months ended 31 March 2018 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 2018 (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 31 March 2018	As at 31 December 2017	Increase/Decrease (%)
Total assets (<i>RMB</i>)	59,069,968,720.31	60,384,730,709.68	-2.18
Net assets attributable to shareholders of the Company (<i>RMB</i>)	27,538,048,584.45	27,919,639,799.85	-1.37
	For the three months ended 31 March 2018	For the three months ended 31 March 2017	Increase/Decrease (%)
Net cash flow from operating activities (<i>RMB</i>)	151,736,905.60	779,242,880.68	-80.53
	For the three months ended 31 March 2018	For the three months ended 31 March 2017	Increase/Decrease (%)
Revenue from operation (<i>RMB</i>)	2,401,635,061.19	2,664,732,283.50	-9.87
Net profit attributable to shareholders of the Company (<i>RMB</i>)	-84,884,067.66	563,114,677.62	-115.07
Net profit attributable to shareholders of the Company after exceptional items (<i>RMB</i>)	-85,313,354.84	560,444,641.67	-115.22
Rate of returns on net assets (%) (<i>weighted</i>)	-0.31	2.03	Decrease by 2.34 percentage points
Basic earnings per share (<i>RMB</i>)	-0.0211	0.1397	-115.10
Diluted earnings per share (<i>RMB</i>)	-0.0211	0.1397	-115.10
Items	For the three months ended 31 March 2018 <i>Amount (RMB)</i>		Note
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	454,766.91		Mainly comprised of education and training subsidies for employees received
Other profits or losses within the definition of extraordinary profit or loss	117,616.00		
Income tax effect	-143,095.73		
Total	429,287.18		

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		Top 10 shareholders				117,971
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⁾	1,285,000,996	31.87	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	
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	
Peng Heqing (彭賀慶)	18,360,874	0.46	0	6,150,000 shares subject to pledge	Domestic natural person	
Huang Peiling (黃佩玲)	12,831,524	0.32	0	Nil	Domestic natural 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	

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⁾	1,285,000,996	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
Peng Heqing	18,360,874	RMB ordinary shares
Huang Peiling	12,831,524	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 Group Company Limited, “China Shipping”) and its subsidiaries held 7,000,000 A Shares of the Company through CICC-CCB-Zhongjin Ruihe collective asset management schemes (中金公司 – 建設銀行 – 中金瑞和集合資產管理計劃), held 2,065,494 A Shares of the Company through Guotai Junan securities asset management-Industrial Bank - Guotai Junan Junxiang Xinli No.6 collective asset management schemes (國泰君安證券資管 – 興業銀行 – 國泰君安君享新利六號集合資產管理計劃) and held 8,641,504 A Shares of the Company through AEGON-INDUSTRIAL Fund-Bank of Shanghai-China Shipping (Group) Company (興業全球基金 – 上海銀行 – 中國海運 (集團) 總公司). Therefore, China Shipping and its subsidiaries aggregately held 1,554,631,593 A Shares of the Company as at the end of the Reporting Period, 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 2018

During the Reporting Period, despite that the elimination of obsolete transportation capacity has accelerated and the growth of capacity supply has slowed down significantly and was lower than the growth of capacity demand in the international crude oil shipping market, the freight rates continued to fluctuate at low level, as it took time to digest the substantial additional capacity at the early stage. The average freight rate of the very large crude carrier (“VLCC”) Middle East-China (TD3C) shipping route was WS 41.04, representing a decrease of 29.4% over the last corresponding period on the same basis; meanwhile, the international crude oil prices stayed at high level, and the average fuel oil price (Singapore IFO380) amounted to USD377 per tonne, representing a year-on-year increase of 18.2%. Given the double impact of falling freight rates and rising fuel prices, during the Reporting Period, the daily revenues of main types of vessels in the international crude oil shipping market fell to a historical low over the last corresponding period, and the average daily revenue of the VLCC Middle East-China (TD3C) shipping route was only USD8,147 per day, representing a decrease of 73.8% as compared to that of the Middle East-Far East (TD3) shipping route during the last corresponding period. The daily revenues of other types of vessels on major shipping routes decreased by 60%-70% as compared with the previous year.

Since the second half of 2017, the number of old-fashioned oil tankers dismantled around the world has increased dramatically, and the growth of this number has been even more striking since 2018. According to the statistics from CLARKSONS, during the Reporting Period, 58 oil tankers of 10,000 tonnes or above were dismantled with a total of 7.94 million deadweight tonnes, which was the peak of transportation capacity eliminated in one quarter since 1982, of which 17 VLCCs were dismantled, which was the same as the total number of VLCCs dismantled for the three years from 2015 to 2017. Based on the statistical analysis of historical data, the current international crude oil shipping market has seen an increase in the number and a reduction in the age of oil tankers dismantled, and the revenue from spot market is lower than that from short-term charters, and even lower than long-term charters. Revenues of large types of vessels are close to or even lower than those of small ones. These are features at the bottom of business cycle. During the Reporting Period, the price of vessel assets showed an upward trend. Statistics from CLARKSONS showed that the cost of new VLCC was US\$84.5 million per vessel in March 2018, representing an increase of 4.3% compared with US\$81 million per vessel in December 2017.

During the Reporting Period, with a significant year-on-year increase in the shipping capacity of the Group's oil tankers and business volume, the Group recorded a transportation volume of 34.9056 million tonnes, representing a year-on-year increase of 27.8%; a transportation turnover of 126.871 billion tonne-nautical miles, representing a year-on-year increase of 34.3%. In the face of the historical trough of the international crude oil shipping market, the Group leveraged on the fleet structure of international and domestic trade collaboration, and the operating level of our oil tanker fleet continued to outperform the market. By acquiring China National Petroleum Corporation's refined oil fleet by capital increase and shareholding, the Group's refined oil fleet has emerged as a leader in the domestic refined oil transportation sector. The Group leased five VLCCs from Sinochem Oil on time charters and entered into contracts of affreightment, representing the establishment of a win-win cooperation mechanism during the market downturn. During the Reporting Period, the Group recorded an operating revenue of RMB2.402 billion, representing a year-on-year decrease of 9.9%; an operating cost of RMB2.162 billion, representing a year-on-year increase of 18.2%; a total profit of RMB-39.0279 million, representing a year-on-year decrease of 105.9%; a net profit of RMB-48.7843 million, representing a year-on-year decrease of 108.2%; a net profit attributable to shareholders of the listed company of RMB-84.884 million, representing a year-on-year decrease of 115.1%. During the Reporting Period, the Group achieved EBITDA (earnings before interest, tax, depreciation and amortization) of RMB577 million, representing a year-on-year decrease of 58.5%, which was lower than the decrease in the market return level of the same period.

Unit: RMB

Balance Sheet Item	2018.03.31	2017.12.31	Change (%)	Reason for Significant Changes
Accounts receivable	1,357,684,237.46	918,346,943.74	47.84	Note ⁽¹⁾
Long-term receivables	987,407,451.55	2,092,688,506.98	-52.82	Note ⁽²⁾
Financial assets at fair value through profit or loss	86,686,936.51	0	N.A.	Note ⁽³⁾
Financial assets available for sale	0	395,716,579.15	-100	Note ⁽⁴⁾
Financial assets at fair value through other comprehensive income	309,786,068.56	0	N.A.	Note ⁽⁵⁾
Construction in progress	2,989,078,543.24	3,991,850,321.96	-25.12	Note ⁽⁶⁾
Accounts payable	1,653,630,641.33	1,046,560,822.48	58.01	Note ⁽⁷⁾

Notes:

- (1) Accounts receivable increased by 47.84% as compared with the beginning of the period, mainly due to the fact that the merger with Dalian PetroChina Shipping Limited by an enterprise not under common control with the Company resulted in an increase in the balance of accounts receivable. At the same time, as part of the Company's transportation services were completed at the end of the Reporting Period, this concentration led to a periodic increase in the balance of accounts receivable. In the later period, the Company will make more efforts to recover the accounts receivable;
- (2) Long-term receivables decreased by 52.82% as compared with the beginning of the period, mainly due to the fact that our subsidiary China Shipping Development (Hong Kong) Marine Co., Limited (中海發展(香港)航運有限公司) recovered borrowings of RMB955 million from associates and joint ventures;
- (3) Financial assets at fair value through profit or loss, which was nil at the end of last year, amounted to RMB86,686,936.51, mainly due to the fact that part of the available-for-sale financial assets originally measured at cost are classified into this item, resulting from the implementation of new standards for financial instruments this year;
- (4) Available-for-sale financial assets, which was RMB395,716,579.15 at the end of last year, amounted to nil, mainly due to the fact that this item is no longer applicable, resulting from the implementation of new standards for financial instruments this year;
- (5) Financial assets at fair value through other comprehensive income, which was nil at the end of last year, amounted to RMB309,786,068.56, mainly due to the fact that part of the available-for-sale financial assets originally measured at cost and available-for-sale financial assets originally measured at fair value are classified into this item, resulting from the implementation of new standards for financial instruments this year;
- (6) Construction in progress decreased by 25.12% as compared with the beginning of the period, mainly due to the combined effect of the transfer of vessels under construction to fixed assets and changes in exchange rates;
- (7) Accounts payable increased by 58.01% as compared with the beginning of the period, mainly due to the fact that there was an increase in payables for purchase of materials and such payables were not yet due for payment.

Unit: RMB

Income Statement Items	January to March 2018	January to March 2017	Change (%)	Reason for Significant Changes
Operating revenue	2,401,635,061.19	2,664,732,283.50	-9.87	Note ⁽⁸⁾
Operating cost	2,161,595,001.03	1,828,938,055.30	18.19	Note ⁽⁹⁾
Finance expenses	233,504,160.80	156,893,185.69	48.83	Note ⁽¹⁰⁾
Other comprehensive net income after tax	-410,489,851.56	-74,590,226.91	-450.33	Note ⁽¹¹⁾

Notes:

- (8) Operating revenue decreased by 9.87% as compared with the last corresponding period, mainly due to the decrease in transportation revenue amid the sluggish shipping market.
- (9) Operating cost increased by 18.19% as compared with the last corresponding period, mainly due to the surge in fuel price during the current period.
- (10) Financial expenses increased by 48.84% as compared with the last corresponding period, mainly due to the fact that interest expenses are transferred from capital to expense with the delivery of vessels;
- (11) Other comprehensive income decreased by 450.33% as compared with the last corresponding period, mainly due to the changes of exchange rates during the current period.

Unit: RMB

Cash Flow Statement Items	January to March 2018	January to March 2017	Change (%)	Reason for Significant Changes
Net cash flow from Operating activities	151,736,905.6	779,242,880.68	-80.53	Note ⁽¹²⁾
Net cash flow from Investing activities	914,153,068.81	-958,997,261.06	195.32	Note ⁽¹³⁾
Net cash flow from Financing activities	-1,425,052,631.87	204,218,405.00	-797.81	Note ⁽¹⁴⁾

Notes:

- (12) Net cash flow generated from operating activities decreased by 80.53% as compared with the last corresponding period, mainly due to the fact that there was a decrease in revenue amid the sluggish shipping market, as well as a significant increase in cost arising from the surge in fuel price as compared to the same period of last year;
- (13) Net cash flow generated from investment activities increased by 195.32% as compared with the last corresponding period, mainly due to the recovery of long-term borrowings of RMB955 million from associates and joint ventures by China Shipping Development (Hong Kong) Marine Co., Limited (中海發展(香港)航運有限公司), a subsidiary of the Company, during the current period;
- (14) Net cash flow generated from financing activities decreased by 797.81% as compared with the last corresponding period, mainly due to the repayment of a large amount of borrowings during the current period.

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

1. *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 following purposes: (1) Construction of 14 additional oil tankers; (2) Completion of acquisition of two Panamax oil tankers previously entered into (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.

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 and 6 March 2018 respectively.

2. *Share option incentive scheme*

At the thirteenth board meeting in 2017 convened on 19 December 2017, the Company considered and approved relevant proposals including “Proposal on Share Option Incentive Scheme of COSCO Shipping Energy Transportation Co., Ltd. (Draft) and its abstract”. The board of directors of the Company approved the implementation of the A share option incentive scheme (the “**Share Option Incentive Scheme**”) by the Company, and agreed to submit this proposal to the general meeting of shareholders and the class shareholders’ meeting of the Company for consideration.

In February 2018, COSCO Shipping, received the “Reply of approval for the implementation of First Share Option Incentive Scheme of COSCO Shipping Energy Transportation Co., Ltd.” (Guozi Kaofen No. [2018] 65) (《關於中遠海運能源運輸股份有限公司實施首期股票期權激勵計劃的批覆》(國資考分[2018]65 號)) from the SASAC. The SASAC has approved in principle the implementation of the Share Option Incentive Scheme by the Company and the performance evaluation targets for the Share Option Incentive Scheme. The Share Option Incentive Scheme in subsequent years shall be filed with the SASAC before its implementation.

The Share Option Incentive Scheme is still subject to approval by the general meeting of shareholders and the class shareholders’ meeting of the Company.

3. *Change of scope of the consolidated statements*

In accordance with the Capital Injection Agreement and its supplemental agreement entered into by and between the Company, Dalian PetroChina Shipping Limited and PetroChina Company Limited on 6 March 2018 (see the Company’s “Outbound Investment Announcement of COSCO SHIPPING Energy Transportation Co., Ltd. on Controlling Dalian PetroChina Shipping Limited by Capital Injection and Shareholding Expansion” dated 6 March 2018 for details), Dalian PetroChina Shipping Limited was consolidated into the Company from 7 March 2018.

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 2018 <i>RMB</i>	31 December 2017 <i>RMB</i>
Current assets		
Cash and cash equivalents	4,553,559,840.70	5,007,754,402.14
Financial assets at fair value through profit or loss	86,686,936.51	
Notes receivable	45,539,360.00	36,021,570.75
Accounts receivable	1,357,684,237.46	918,346,943.74
Prepayments	431,905,366.62	262,688,229.36
Interests receivable	18,885,607.26	17,183,587.92
Dividends receivable		
Other receivables	261,997,162.49	204,407,268.78
Inventory	734,695,150.75	656,218,655.52
Non-current assets maturing within one year		27,077,306.35
Other current assets	152,995,580.14	119,790,243.88
Total current assets	7,643,949,241.93	7,249,488,208.44
Non-current assets		
Financial assets available for sale		395,716,579.15
Financial assets at fair value through other comprehensive income	309,786,068.56	
Long-term receivables	987,407,451.55	2,092,688,506.98
Long-term equity investment	4,340,451,360.44	4,434,234,900.15
Investment properties	1,136,625,960.00	1,136,625,960.00
Fixed assets	41,451,741,786.20	40,895,855,010.37
Construction in progress	2,989,078,543.24	3,991,850,321.96
Intangible assets	80,494,761.26	79,484,123.11
Goodwill	68,481,316.73	58,168,418.21
Long-term deferred expenses	11,979,877.26	713,102.47
Deferred income tax asset	49,972,353.14	49,905,578.84
Total non-current assets	51,426,019,478.38	53,135,242,501.24
Total assets	59,069,968,720.31	60,384,730,709.68

Items	31 March 2018 RMB	31 December 2017 RMB
Current liabilities		
Short-term borrowings	2,257,785,533.16	2,730,939,723.97
Accounts payable	1,653,630,641.33	1,046,560,822.48
Receipts in advance	35,985,251.01	13,033,298.73
Staff remuneration payable	113,981,523.36	256,239,550.80
Taxes payable	21,763,226.22	43,896,090.04
Interests payable	173,026,926.82	144,531,027.73
Dividends payable	19,639,394.81	19,639,394.81
Other payables	235,334,158.51	343,988,402.51
Non-current liabilities to be mature within one year	3,877,934,904.46	4,221,193,124.06
Total current liabilities	8,389,081,559.68	8,820,021,435.13
Non-current liabilities		
Long-term borrowings	16,532,220,818.20	17,272,226,504.71
Bonds payable	3,986,721,387.54	3,985,776,859.91
Long-term payables	1,148,039,309.71	1,068,853,384.84
Long-term Staff remuneration payable	145,618,987.83	145,618,987.83
Estimated liabilities	24,719,778.72	54,620,684.64
Deferred income		
Deferred income tax liabilities	355,766,699.43	353,149,242.06
Other non-current liabilities	244,892,649.64	422,574,544.78
Total non-current liabilities	22,437,979,631.07	23,302,820,208.77
Total liabilities	30,827,061,190.75	32,122,841,643.90
Shareholders' equity		
Share capital	4,032,032,861.00	4,032,032,861.00
Capital reserve	7,597,512,697.09	7,597,512,697.09
Other comprehensive income	-438,667,879.24	-138,961,364.12
Specific reserve	62,546,260.68	53,768,751.84
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	13,407,188,298.48	13,497,850,507.60
Total equity attributable to owners of the parent company	27,538,048,584.45	27,919,639,799.85
Minority interests	704,858,945.11	342,249,265.93
Total shareholders' equity	28,242,907,529.56	28,261,889,065.78
Total liabilities and shareholders' equity	59,069,968,720.31	60,384,730,709.68

Balance Sheet of the Company

Items	31 March 2018 RMB	31 December 2017 RMB
Current assets		
Cash and cash equivalents	1,720,979,811.98	2,357,963,561.27
Accounts receivable	2,239,243.72	
Prepayments	2,940,184.45	2,053,321.06
Interests receivable	127,680,421.87	74,804,630.48
Other receivables	2,192,578,345.52	2,687,129,422.84
Inventory	4,870,430.65	
Other current assets	6,337,173.98	6,337,173.98
Total current assets	4,057,625,612.17	5,128,288,109.63
Non-current assets		
Held-to-maturity investments	8,762,881,000.00	8,565,342,000.00
Long-term equity investment	17,218,157,209.76	16,802,635,929.31
Investment properties	1,288,913,180.00	1,288,913,180.00
Fixed assets	281,271,868.74	61,681,882.80
Construction in progress	275,004,489.23	183,657,720.00
Intangible assets	254,716.99	268,867.93
Total non-current assets	27,826,482,464.72	26,902,499,580.04
Total assets	31,884,108,076.89	32,030,787,689.67
Current liabilities		
Short-term borrowings	1,339,410,000.00	1,339,410,000.00
Accounts payable	3,606,686.31	
Staff remuneration payable	3,218,617.98	58,615,966.02
Taxes payable	-17,943,807.50	2,526,542.25
Interests payable	104,521,570.18	54,577,734.56
Other payables	2,032,138,725.59	2,260,470,818.58
Total current liabilities	3,464,951,792.56	3,715,601,061.41
Non-current liabilities		
Bonds payable	3,986,721,387.54	3,985,776,859.91
Deferred income tax liabilities	192,674,228.68	192,674,228.68
Total non-current liabilities	4,179,395,616.22	4,178,451,088.59
Total liabilities	7,644,347,408.78	7,894,052,150.00
Shareholders' equity		
Share capital	4,032,032,861.00	4,032,032,861.00
Capital reserve	7,845,294,225.00	7,845,294,225.00
Other comprehensive income	274,007,011.01	274,007,011.01
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	9,210,990,224.66	9,107,965,096.22
Total shareholders' equity	24,239,760,668.11	24,136,735,539.67
Total liabilities and shareholders' equity	31,884,108,076.89	32,030,787,689.67

Consolidated Income Statement

Items	January-March 2018 RMB	January-March 2017 RMB
1. Total operating revenue	2,401,635,061.19	2,664,732,283.50
Including: Operating revenue	2,401,635,061.19	2,664,732,283.50
2. Total cost of sales	2,544,201,808.16	2,105,988,234.56
Including: Operating cost	2,161,595,001.03	1,828,938,055.30
Business taxes and other surcharges	14,107,311.32	12,914,837.71
Sales expenses	4,163,065.39	10,842,527.69
Administrative expenses	130,340,017.08	96,421,782.78
Financial expenses	233,504,160.80	156,893,185.69
Loss on impairment of assets	492,252.54	-22,154.61
Add: Investment income (“-” for investment loss)	102,966,446.98	95,934,787.80
Including: investment income from associates and joint ventures	102,966,446.98	95,934,787.80
3. Operating profit (“-” for operating loss)	-39,600,299.99	654,678,836.74
Add: Non-operating revenue	585,862.91	3,669,505.01
Less: Non-operating expenditure	13,480.00	101,269.81
4. Gross profit (“-” for gross loss)	-39,027,917.08	658,247,071.94
Less: Income tax	9,756,346.16	63,333,160.08
5. Net profit (“-” for net loss)	-48,784,263.24	594,913,911.86
(1) Classified by operation continuity		
a. Net profit from continuing operations (“-” for net loss)	-48,784,263.24	594,913,911.86
b. Net profit from discontinued operation (“-” for net loss)		
(2) Classified by ownership		
Net profit attributable to owners of parent company	-84,884,067.66	563,114,677.62
Net profit attributable to minority shareholders	36,099,804.42	31,799,234.24

Items	January-March 2018 RMB	January-March 2017 RMB
6. Other comprehensive net income after tax	-410,489,851.56	-74,590,226.91
Other comprehensive net income after tax attributable to owners of parent company	-299,706,515.12	-49,627,324.12
(1) Other comprehensive income not to be re-classified subsequently to profit or loss	-3,824.65	
a. Remeasurement of change in net liabilities or net assets of defined benefit plan		
b. Share of other comprehensive income not to be re-classified to profit or loss in an investee in accordance with equity method	-3,824.65	
(2) Other comprehensive income to be re-classified to profit or loss	-299,702,690.47	-49,627,324.12
Including:		
a. Share of other comprehensive income to be re-classified to profit or loss in an investee in accordance with equity method	-63,753,702.33	263,671.47
b. Gain or loss from changes in the fair values of available-for-sale financial assets	-13,666,975.75	6,065,199.25
c. effective parts of profit or loss on cash flow hedges	66,447,447.99	-7,748,703.41
d. The difference between the translation of foreign currency financial statements	-288,729,460.38	-48,207,491.43
Other comprehensive net income after tax attributable to minority shareholders	-110,783,336.44	-24,962,902.79
7. Total comprehensive income	-459,274,114.80	520,323,684.95
Total comprehensive income attributable to owners of parent company	-348,490,778.36	513,487,353.50
Total of comprehensive income attributable to minority shareholders	-110,783,336.44	6,836,331.45
8. Earnings per share		
(1) Basic earnings per share (RMB per share)	-0.0211	0.1397
(2) Diluted earnings per share (RMB per share)	-0.0211	0.1397

Income Statement of the Company

Items	January-March	January-March
	2018	2017
	RMB	RMB
1. Total operating revenue	24,952,309.38	8,951,533.69
Less: operating cost	9,788,859.40	
Business taxes and other surcharges	193,049.06	73,019.81
Sales expenses	4,163,065.39	10,842,527.69
Administrative expenses	3,474,930.26	6,796,614.82
Financial expenses	14,444,580.32	21,733,979.12
Add: Investment income (“-” for investment loss)	110,064,296.14	91,672,000.60
Including: investment income from associates and joint ventures	18,895,563.53	14,975,425.25
2. Operating profit (“-” for operating loss)	102,952,121.09	61,177,392.85
Add: Non-operating revenue	73,007.35	
Less: Non-operating expenditure		
3. Gross profit (“-” for gross loss)	103,025,128.44	61,177,392.85
4. Net profit (“-” for net loss)	103,025,128.44	61,177,392.85
(1) Net profit from continuing operations (“-” for net loss)	103,025,128.44	61,177,392.85
(2) Net profit from discontinued operation (“-” for net loss)		
5. Total comprehensive income	103,025,128.44	61,177,392.85
6. Earnings per share		
(1) Basic earnings per share (RMB per share)	0.0256	0.0152
(2) Diluted earnings per share (RMB per share)	0.0256	0.0152

Consolidated Cash Flow Statement

Items	January-March 2018 RMB	January-March 2017 RMB
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	2,116,942,111.14	2,531,620,160.27
Cash received from tax rebates	3,521,019.50	39,402,157.51
Cash received from other related operating activities	321,689,325.51	307,973,668.23
Subtotal of cash inflow from operating activities	2,442,152,456.15	2,878,995,986.01
Cash paid for goods and services	1,545,278,938.29	1,176,957,052.72
Cash paid to or on behalf of employees	414,828,289.44	282,220,533.24
Taxes paid	55,379,770.04	132,364,761.02
Other cash paid relating to operating activities	274,928,552.78	508,210,758.35
Subtotal of cash outflow from operating activities	2,290,415,550.55	2,099,753,105.33
Net cash flows from operating activities	151,736,905.60	779,242,880.68
2. Cash flows from investing activities		
Cash received from disposal of investments	961,808,327.93	3,789,381.33
Cash received from gains in investments		
Net cash inflow from disposal of fixed, intangible and other long-term assets		
Subtotal of cash inflow from investing activities	961,808,327.93	3,789,381.33
Cash paid for purchase of fixed, intangible and other long-term assets	549,313,839.52	574,891,199.88
Cash paid for investment		235,700,626.51
Net cash paid for acquisition of subsidiaries and other operating entities	-516,038,560.37	152,194,816.00
Other cash paid relating to investment activities	14,379,979.97	
Subtotal of cash outflow from investing activities	47,655,259.12	962,786,642.39
Net cash flows from investing activities	914,153,068.81	-958,997,261.06

Items	January-March 2018 RMB	January-March 2017 RMB
3. Cash flows from financing activities		
Cash received from borrowings	43,002,971.11	1,162,542,306.68
Cash received relating to other financing activities	278,031,565.89	18,823,207.83
Subtotal of cash inflow from financing activities	321,034,537.00	1,181,365,514.51
Cash paid for payment of debts	861,912,359.40	865,925,341.79
Cash paid for distribution of dividends or profits and for interest expenses	410,782,331.65	59,343,745.52
Cash paid for other related financing activities	473,392,477.82	51,878,022.20
Subtotal of cash outflow from financing activities	1,746,087,168.87	977,147,109.51
Net cash flows from financing activities	-1,425,052,631.87	204,218,405.00
4. Effect on cash and cash equivalents from change of exchange rates	-95,031,903.98	-14,819,718.28
5. Net increase in cash and cash equivalents	-454,194,561.44	9,644,306.34
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	5,007,754,402.14	6,388,717,618.66
6. Balance of cash and cash equivalents at the end of the Reporting Period	4,553,559,840.70	6,398,361,925.00

Cash Flow Statement of the Company

Items	January-March 2018 RMB	January-March 2017 (Restated) RMB
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	14,611,770.98	
Cash received from other related operating activities	658,853,612.15	134,620,572.27
Subtotal of cash inflow from operating activities	673,465,383.13	134,620,572.27
Cash paid for goods and services	3,140,953.11	313,206.26
Cash paid to or on behalf of employees	58,834,410.95	33,587,623.26
Taxes paid	2,240,448.23	9,008,380.51
Other cash paid relating to operating activities	161,005,702.95	123,432,531.12
Subtotal of cash outflow from operating activities	225,221,515.24	166,341,741.15
Net cash flows from operating activities	448,243,867.89	-31,721,168.88
2. Cash flows from investing activities		
Cash received from gains in investments	43,467,806.11	28,500,000.00
Subtotal of cash inflow from investing activities	43,467,806.11	28,500,000.00
Cash paid for purchase of fixed, intangible and other long-term assets	519,882,943.36	
Cash paid for investment	200,000,000.00	
Net cash paid for acquisition of subsidiaries and other operating entities	396,625,716.92	152,194,816.00
Subtotal of cash outflow from investing activities	1,116,508,660.28	152,194,816.00
Net cash flows from investing activities	-1,073,040,854.17	-123,694,816.00
3. Cash flows from financing activities		
Cash paid for distribution of dividends or profits and for interest expenses	12,054,690.00	
Subtotal of cash outflow from financing activities	12,054,690.00	
Net cash flows from financing activities	-12,054,690.00	
4. Effect on cash and cash equivalents from change of exchange rates	-132,073.01	-467,931.92
5. Net increase in cash and cash equivalents	-636,983,749.29	-155,883,916.80
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	2,357,963,561.27	2,648,015,576.70
6. Balance of cash and cash equivalents at the end of the Reporting Period	1,720,979,811.98	2,492,131,659.90

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
27 April 2018

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Huang Xiaowen, 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*