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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)

PROFIT WARNING

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) and Rule 13.10B of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018, the Group expects to record a net loss attributable to the equity holders of the Company for the six months ended 30 June 2018, which will amount to RMB235 million to RMB305 million (equivalent to approximately HK\$273 million to HK\$355 million), as compared to a net profit attributable to the equity holders of the Company of RMB865 million (equivalent to approximately HK\$1,006 million) for the same period of 2017.

The information contained in this announcement is only a preliminary assessment based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018 currently available to the Company, which have been neither reviewed or confirmed by the Company's audit committee, nor reviewed or audited by the Company's auditors.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and read carefully the interim results announcement of the Company for the six months ended 30 June 2018 which is expected to be announced in August 2018.

* for identification purpose only

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) and Rule 13.09(2)(a) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board (the “Board”) of directors (the “Directors”) of COSCO SHIPPING Energy Transportation Co., Ltd. (the “Company” and together with its subsidiaries, the “Group”) wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018, the Group expects to record a net loss attributable to the equity holders of the Company for the six months ended 30 June 2018, which will amount to RMB235 million to RMB305 million (equivalent to approximately HK\$273 million to HK\$355 million), as compared to a net profit attributable to the equity holders of the Company of RMB865 million (equivalent to approximately HK\$1,006 million) for the same period of 2017. The earnings per share of the Group for the six months ended 30 June 2017 was RMB0.2146 (equivalent to approximately HK\$0.2495).

The loss in net profit of the Group was mainly attributable to the following factors: during the first half of 2018, the further decline in crude oil inventory, and the unfavourable impact arising from the geographical events, for instance, the slowing down of the growth rate of crude oil import of importers such as the PRC and the decrease in crude oil export in Venezuela, had phasing effect on the increase in demand in the international crude oil shipping market; from the supply perspective, even though the demolition of aged vessels soared to a record high in the first half of the year, the freight rates continued to fluctuate at low level as it took time to digest the substantial additional capacity at the early stage. The freight rate of the very large crude carrier (“VLCC”) Middle East-China (TD3C) shipping route was only WS 43.22, representing a decrease of 18.5% over the last corresponding period on the same basis; meanwhile, the international fuel oil price increased by approximately 28% year-on-year, the daily revenues of main types of vessels in the international crude oil shipping market in the first half of the year fell to a historical low for the nearly two decades, and the average daily revenue of the VLCC was only USD5,468 per day, representing a decrease of approximately 78% year-on-year. The daily revenue of other types of major crude oil shipping vessels decreased by approximately 60% year-on-year.

The information in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018 currently available to the Company and which have been neither reviewed or confirmed by the Company’s audit committee, nor reviewed or audited by the Company’s auditors. Further details of the Group’s performance will be disclosed in the Group’s interim results for the six months ended 30 June 2018 to be published by the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and read carefully the interim results announcement of the Company for the six months ended 30 June 2018 which is expected to be announced in August 2018.

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) and Rule 13.10B of the Listing Rules. The Company's A Shares are listed on the Shanghai Stock Exchange, and it has been requested by the Shanghai Stock Exchange to make an announcement similar to this announcement.

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

Shanghai, the PRC
23 July 2018

The exchange rate adopted in this announcement for illustration purpose only is HK\$1.00=RMB0.86. Such conversion should not be construed as a presentation that the currency could actually be converted into HK\$ at that rate or at all.

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.