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中遠海運發展股份有限公司

**COSCO SHIPPING Development Co., Ltd.\***

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 02866)**

## **2017 THIRD QUARTERLY REPORT**

In accordance with the applicable rules of the Shanghai Stock Exchange of the People's Republic of China (the "PRC") (the "Shanghai Stock Exchange") (being the stock exchange on which the A shares of COSCO SHIPPING Development Co., Ltd. (the "Company" or "COSCO SHIPPING Development", together with its subsidiaries, the "Group") are listed), the quarterly report (the "Quarterly Report") of the Company for the third quarter of 2017 (the "Reporting Period") will be published on the Shanghai Stock Exchange on 30 October 2017. The financial information set out in the Quarterly Report was prepared in accordance with the Generally Accepted Accounting Principles of the PRC.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **1. IMPORTANT NOTICES**

- 1.1 The board of directors, the supervisory committee, the directors, the supervisors and the senior management of the Company confirm the truthfulness, accuracy and completeness of the Quarterly Report and that there are no false information, misleading statements, or material omissions contained therein; and severally and jointly accept legal responsibility thereof.
- 1.2 All members of the board of directors of the Company attended the meeting of the board of directors for the review and approval of the Quarterly Report.
- 1.3 Sun Yueying, the person-in-charge of the Company, Zhang Mingwen, the person-in-charge of accounting affairs, and Li Rong, the head of the accounting department (officer in charge of accounting) have confirmed the truthfulness, accuracy and completeness of the financial statements contained in the Quarterly Report.
- 1.4 The financial statements contained in the Quarterly Report have not been audited.

## 2. COMPANY PROFILE

### 2.1 Principal financial data

Unit: Yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of the previous year		Increase/decrease at the end of the Reporting Period as compared with the end of the previous year (%)
		After adjustment	Before adjustment	
Total assets	123,346,068,414.13	125,441,424,777.63	125,441,424,777.63	-1.67
Net assets attributable to equity holders of the listed company	14,347,670,166.28	13,250,047,158.17	13,250,047,158.17	8.28
	<b>From the beginning of the year to the end of the Reporting Period (January to September)</b>	<b>From the beginning of the previous year to the end of the reporting period of previous year (January to September)</b>		<b>Increase/decrease as compared with the corresponding period of last year (%)</b>
		<b>After adjustment</b>	<b>Before adjustment</b>	
Net cash flow from operating activities	4,404,596,779.95	6,260,745,658.38	6,260,363,846.75	-29.65
	<b>From the beginning of the year to the end of the Reporting Period (January to September)</b>	<b>From the beginning of the previous year to the end of the reporting period of previous year (January to September)</b>		<b>Increase/decrease as compared with the corresponding period of last year (%)</b>
		<b>After adjustment</b>	<b>Before adjustment</b>	
Revenue	11,894,720,024.63	12,065,241,826.83	12,065,241,826.83	-1.41
Net profit attributable to equity holders of the listed company	1,139,474,627.84	475,398,330.45	-634,917,959.88	139.69
Net profit attributable to equity holders of the listed company, excluding extraordinary gains or losses	1,103,433,668.61	-1,337,573,450.10	-1,337,573,450.10	—
Weighted average return on net assets (%)	8.26	1.91	-2.49	Increased by 6.35 percentage points
Basic earnings per share (Yuan/share)	0.0975	0.0407	-0.0543	139.56
Diluted earnings per share (Yuan/share)	0.0975	0.0407	-0.0543	139.56

Items and amounts of extraordinary gains or losses

Applicable     Not Applicable

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>Amount for the Reporting Period (July to September)</b>	<b>Amount from the beginning of the year to the end of the Reporting Period (January to September)</b>
Gain/loss from disposal of non-current assets	5,927,423.40	11,556,042.48
Government grants recognized in the income statement for the period (exclusive of those that are closely related to the normal operation of the Company and received in a certain amount or fixed quantity according to the requirements of state policy and state standards)	18,219,262.54	29,860,960.54
Other non-operating income/expenses excluding the items above	692,593.42	3,239,635.35
Impact of gains or losses of minority shareholders (after tax)	-4,688,998.23	-1,750,976.14
Impact of income tax	-4,688,998.23	-6,864,703.00
<b>Total</b>	<b>20,150,281.13</b>	<b>36,040,959.23</b>

## 2.2 Shareholding of the total number of shareholders, the top 10 shareholders and the top 10 shareholders who are not subject to selling restrictions as at the end of the Reporting Period

Unit: Shares

Total number of shareholders (household) 392,661

Name of shareholders (Full name)	Number of shares held at the end of the Reporting Period	Top 10 shareholders			Nature of shareholders	
		Shareholding (%)	Number of shares subject to selling restrictions	Number of shares pledged or frozen Status Number		
China Shipping (Group) Company	4,410,624,386	37.75%	0	Nil	0	State-owned corporation
HKSCC NOMINEES LIMITED	3,733,442,225	31.96%	0	Unknown	–	Foreign corporation
Guoxin Investment Co., Ltd.	465,885,000	3.99%	0	Nil	0	State-owned corporation
State Development & Investment Corporation	388,674,125	3.33%	0	Nil	0	State-owned corporation
China Securities Finance Corporation Limited	195,314,795	1.67%	0	Nil	0	State-owned corporation
Central Huijin Asset Management Ltd.	65,454,300	0.56%	0	Nil	0	State-owned corporation
Aegon Industrial Fund – Bank of Shanghai – China Shipping (Group) Company	33,399,288	0.29%	0	Nil	0	Other
National Social Security Fund 105	19,402,369	0.17%	0	Nil	0	Other
Agricultural Bank of China Limited– Fullgoal CSI State- owned Enterprises Reform Index Classified Fund	16,805,568	0.14%	0	Nil	0	Other
Bank of China Limited – ChinaAMC New Economy Flexible Configured Hybrid Securities Investment Fund	15,538,922	0.13%	0	Nil	0	Other

### Top 10 shareholders who are not subject to selling restrictions

Name of shareholders	Number of shares not subject to selling restrictions held	Type	Number of shares
China Shipping (Group) Company	4,410,624,386	RMB ordinary shares	4,410,624,386
HKSCC NOMINEES LIMITED	3,733,442,225	Overseas listed foreign shares	3,733,442,225
Guoxin Investment Co., Ltd.	465,885,000	RMB ordinary shares	465,885,000
State Development & Investment Corporation	388,674,125	RMB ordinary shares	388,674,125
China Securities Finance Corporation Limited	195,314,795	RMB ordinary shares	195,314,795
Central Huijin Asset Management Ltd.	65,454,300	RMB ordinary shares	65,454,300
Aegon Industrial Fund – Bank of Shanghai – China Shipping (Group) Company	33,399,288	RMB ordinary shares	33,399,288
National Social Security Fund 105	19,402,369	RMB ordinary shares	19,402,369
Agricultural Bank of China Limited– Fullgoal CSI State-owned Enterprises Reform Index Classified Fund	16,805,568	RMB ordinary shares	16,805,568
Bank of China Limited – ChinaAMC New Economy Flexible Configured Hybrid Securities Investment Fund	15,538,922	RMB ordinary shares	15,538,922

- Explanation of the connected relationship or acting in concert relationship among the above shareholders
- (1) The shares held by China Shipping (Group) Company were not, among other things, pledged, frozen or under custody during the Reporting Period.
  - (2) HKSCC NOMINEES LIMITED is a private company, the principal business of which is holding shares for other companies or individuals.
  - (3) At the end of the Reporting Period, China Shipping (Group) Company held 4,410,624,386 A shares in COSCO SHIPPING Development directly, representing 37.75% of its entire share capital; 47,570,789 A shares in COSCO SHIPPING Development through collective scheme, representing 0.41% of its entire share capital; thus an aggregate of 4,458,195,175 A shares in COSCO SHIPPING Development, representing 38.16% of its entire share capital.
  - (4) At the end of the Reporting Period, China Shipping (Group) Company held 100,944,000 H shares in COSCO SHIPPING Development, representing approximately 0.86% of the entire share capital of the Company.
  - (5) The Company was not notified of any connected relationship or acting-in-concert relationship among the above shareholders.

### 2.3 Shareholding of the total number of holders of preference shares, top 10 holders of preference shares and top 10 holders of preference shares who are not subject to selling restrictions as at the end of the Reporting Period

Applicable  Not Applicable

### **3. SIGNIFICANT EVENTS**

#### **3.1 Particulars of material changes in major accounting items and financial indicators of the Company and reasons**

✓Applicable  Not Applicable

1. The decrease in bills receivable by 100% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to maturity of bank's bills during the Reporting Period;
2. The increase in accounts receivable by 40.97% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in the container manufacturing business during the Reporting Period;
3. The increase in funds paid in advance by 43.59% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in prepayments made for steel products for container manufacturing during the Reporting Period;
4. The increase in reinsurance premium receivable by 79.2% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in the insurance agency business during the Reporting Period;
5. The increase in interests receivable by 96.82% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase of unexpired term deposits at the end of the Reporting Period;
6. The increase in dividends receivable by 100% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase of dividends receivable from investees at the end of the Reporting Period;
7. The increase in inventories by 31.28% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in raw materials for container manufacturing during the Reporting Period;
8. The increase in non-current assets due within one year by 55.51% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in long-term receivables due within one year during the Reporting Period;
9. The decrease in other current assets by 50.07% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the decrease in approved input VAT pending set-off during the Reporting Period;
10. The decrease in available-for-sale financial assets by 40.9% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the decrease in investment projects during the Reporting Period;
11. The increase in investment property by 112.02% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in properties for the purpose of leasing during the Reporting Period;

12. The decrease in construction in progress by 96.82% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the transfer of shipbuilding projects during the Reporting Period;
13. The decrease in long-term deferred expenses by 30.93% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the decrease in amortisation during the Reporting Period;
14. The increase in bills payable by 423.52% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to increase in acceptance of bank bills for investment in finance lease projects during the Reporting Period;
15. The increase in accounts payable by 33.51% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in accounts payable for raw materials for container manufacturing at the end of the Reporting Period;
16. The increase in staff remuneration payable by 132.76% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in salary payable as a result of the increase in employees of the Company during the Reporting Period;
17. The increase in reinsurance premium payable by 133.58% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in the insurance agency business during the Reporting Period;
18. The increase in long term payables by 86.27% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in deposits payment as a result of the increase in projects investment during the Reporting Period;
19. The increase in capital reserve by 35.12% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the adjustment made for the long-term equity investment accounted for under the equity method during the Reporting Period;
20. The increase in retained earnings by 36.01% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in operating profit during the Reporting Period;
21. The increase in the interests of minority shareholders by 84.53% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the capital increase of minority shareholders during the Reporting Period;
22. The increase in handling charges and commission income by 37.78% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in handling charges and commission income of the finance company during the Reporting Period as compared with the corresponding period of last year;
23. The increase in interest expenses by 72.56% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in interest expenses from deposits taken by the finance company during the Reporting Period;

24. The increase in handling charges and commission expenses by 72.15% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in bank handling charges during the Reporting Period as compared with the corresponding period of last year;
25. The increase in business taxes and surcharges by 106.99% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in taxable accounts during the Reporting Period as compared with the corresponding period of last year;
26. The increase in finance costs by 78.74% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in interest expenses during the Reporting Period as compared with the corresponding period of last year;
27. The decrease in asset impairments loss by 72.45% during the Reporting Period as compared with the corresponding period of last year was mainly due to the reversal of provision for inventory impairment as a result of the increase in market price during the Reporting Period;
28. The increase in gains from changes in fair value by 437.37% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in gains from changes in fair value of financial assets held during the Reporting Period as compared with the corresponding period of last year;
29. The increase in investment income by 40.44% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in operating profit of associates during the Reporting Period as compared with the corresponding period of last year;
30. The increase in gains from investment in associates and joint ventures by 43.98% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in operating profit of associates during the Reporting Period as compared with the corresponding period of last year;
31. The increase in other gains by 100% during the Reporting Period as compared with the corresponding period of last year was mainly due to the adjustment of government grants to other gains under the new accounting standards during the Reporting Period;
32. The increase in operating profit by 382.94% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in operating profit of the Company during the Reporting Period as compared with the corresponding period of last year;
33. The decrease in non-operating income by 94.38% during the Reporting Period as compared with the corresponding period of last year was mainly due to the adjustment of government grants to other gains under the new accounting standards during the Reporting Period;
34. The decrease in gain from disposal of non-current assets by 67.70% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in gain from disposal of fixed assets during the Reporting Period;



35. The decrease in non-operating expense by 49.54% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in penalty charges during the Reporting Period as compared with the corresponding period of last year;
36. The increase in gross profit by 126.6% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in operating profit of the Company during the Reporting Period;
37. The increase in income tax expenses by 104.07% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase of income tax payable of the Company during the Reporting Period;
38. The increase in net profit by 132.59% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in operating profit of the Company during the Reporting Period;
39. The decrease in profit recognized by the merged party before the combination by 100% during the Reporting Period as compared with the corresponding period of last year was mainly due to the nonexistence of net profit recognized by the merged party before the combination during the Reporting Period;
40. The increase in net profit attributable to equity holders of the parent company by 139.69% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in operating profit of the Company during the Reporting Period;
41. The increase in gains or losses of minority shareholders by 40.28% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in operating profit of the Company as compared with the corresponding period of last year;
42. The increase in net other comprehensive income after taxes by 41.35% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in change of differences in foreign currency translation during the Reporting Period;
43. The increase in net other comprehensive income after taxes attributable to equity holders of the parent company by 36.76% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in change of differences in foreign currency translation during the Reporting Period;
44. The increase in other comprehensive income which may be subsequently reclassified to profit or loss by 36.76% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in change of differences in foreign currency translation during the Reporting Period;
45. The decrease in shares of other comprehensive income of investees that may be subsequently reclassified to profit or loss under the equity method by 241.82% during the Reporting Period as compared with the corresponding period of last year was mainly due to the significant decrease in other comprehensive income of associates during the Reporting Period;

46. The decrease in gains or losses from changes in fair value of available-for-sale financial assets by 506.15% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in fair value of available-for-sale financial assets during the Reporting Period;
47. The increase in the effective portion of cash flow adjusted for hedging gains or losses by 90.43% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in fair value of hedging instruments during the Reporting Period;
48. The increase in differences on foreign currency translation by 251.5% during the Reporting Period as compared with the corresponding period of last year was mainly due to changes in exchange rates during the Reporting Period which led to an increase in differences on foreign currency translation as compared with the corresponding period of last year;
49. The increase in net other comprehensive income attributable to minority interests after taxes by 129.11% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in other comprehensive income of the Company during the Reporting Period as compared with the corresponding period of last year;
50. The increase in total comprehensive income by 277.13% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in operating profit of the Company during the Reporting Period;
51. The increase in total comprehensive income attributable to shareholders of the parent by 292.71% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in operating profit of the Company during the Reporting Period;
52. The increase in total comprehensive income attributable to minority shareholders by 118.52% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in operating profit of the Company during the Reporting Period as compared with the corresponding period of last year;
53. The decrease in cash received from sales of goods and provision of services by 36.74% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in liner services during the Reporting Period;
54. The decrease in net increase of deposits from clients and placements from industry peers of financial institutions by 105.7% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in net increase of deposits from members of the Group during the Reporting Period as compared with the corresponding period of last year;
55. The decrease in net cash received from reinsurance business by 76.27% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in the insurance agency business during the Reporting Period;

56. The decrease in sub-total of cash inflow from operating activities by 44.91% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in liner services and the decrease in net increase of deposits from members of the Group during the Reporting Period;
57. The decrease in cash paid for goods purchased and service rendered by 60.69% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in liner services during the Reporting Period;
58. The increase in net increase in loans and advances to clients by 134.45% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in loans advanced by the finance company during the Reporting Period;
59. The decrease in net increase in placements with central bank and other industry peers by 103.35% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in net increase in placements with central banks by the finance company during the Reporting Period as compared with the corresponding period of last year;
60. The increase in cash payment for interest, handling charges and commissions by 104.51% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in interest expense of the finance company during the Reporting Period;
61. The decrease in sub-total of cash outflow from operating activities by 50.46% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in liner services during the Reporting Period;
62. The increase in cash received from disposal of investments by 158.68% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in cash received from disposal of investments in financial assets during the Reporting Period as compared with the corresponding period of last year;
63. The increase in cash received from gains in investments by 46.82% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in the Company's receipt of cash from disposal of investments in financial assets during the Reporting Period as compared with the corresponding period of last year;
64. The increase in net cash received from disposal of subsidiaries and other operating entities by 100% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in cash received from disposal of subsidiaries during the Reporting Period as compared with the corresponding period of last year;
65. The increase in other cash received relating to investment activities by 100% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in recovery of investment guarantee payment during the Reporting Period as compared with the corresponding period of last year;

66. The increase in sub-total of cash inflow from investment activities by 127.5% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in disposal of investments in financial assets during the Reporting Period;
67. The increase in cash paid for investment by 212.5% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in financial assets investment during the Reporting Period;
68. The decrease in other cash paid relating to investment activities by 79.67% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in net cash outflow from disposal of subsidiaries;
69. The increase in sub-total of cash outflow from investment activities by 61.75% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in financial assets investment during the Reporting Period;
70. The increase in proceeds received from investments by 100% during the Reporting Period as compared with the corresponding period of last year was mainly due to the capital increase of minority shareholders of the finance company during the Reporting Period;
71. The decrease in cash received from borrowings by 75.98% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in new bank borrowings during the Reporting Period;
72. The increase in other cash received relating to financing activities by 100% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in collateral for borrowings during the Reporting Period;
73. The decrease in sub-total of cash inflow from financing activities by 75.8% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in borrowings during the Reporting Period;
74. The decrease in cash paid for repayment of debts by 63.12% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in repayment of bank borrowings during the Reporting Period;
75. The increase in cash payments for dividend and profit distribution or interest repayment by 62.11% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in repayment of interests for loans during the Reporting Period;
76. The decrease in other cash paid relating to financing activities by 99.35% during the Reporting Period as compared with the corresponding period of last year was mainly due to the large amount of acquisition payment for mergers of subsidiaries under common control during the previous period;
77. The decrease in sub-total of cash outflow from financing activities by 71.8% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in repayment of bank borrowings and the decrease in acquisition payment for mergers of subsidiaries under common control during the Reporting Period;

78. The decrease in net cash flow from financing activities by 507.88% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in new bank borrowings during the Reporting Period;
79. The decrease in effect on cash due to changes in currency exchange rates by 186.59% during the Reporting Period as compared with the corresponding period of last year was mainly due to changes in foreign currency exchange rates during the Reporting Period;
80. The decrease in net increase in cash and cash equivalents by 269.86% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in net cash from investing activities and financing activities during the Reporting Period as compared with the corresponding period last year;
81. The decrease in balance of cash and cash equivalents at the end of the period by 38.3% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in net cash outflow during the Reporting Period.

### **3.2 Analysis of the development of material events and their impacts and solutions**

Applicable    Not Applicable

On 12 July 2017, the Company submitted to the China Securities Regulatory Commission the application materials regarding the Company's proposed non-public issuance of A shares. On 19 July 2017, the Company received the acceptance notice. On 12 September 2017, the Company received the notice regarding the first feedback on the review of administrative permission items issued by the China Securities Regulatory Commission. Thereupon, the Company arranged relevant departments and professional parties to discuss and analyse the relevant issues raised in the feedback, and to prepare relevant reply materials promptly. A meeting of the board of directors was convened by the Company on 30 October 2017 to revise the relevant issuance proposal and submit the formal reply materials on the feedback to the China Securities Regulatory Commission.

### **3.3 Undertakings that has not yet been duly fulfilled during the Reporting Period**

Applicable    Not Applicable

### **3.4 Profit warning and explanation of expected accumulated net loss from the beginning of the year to the end of the next reporting period or material changes over the corresponding period of the previous year**

Applicable    Not Applicable

## 4 APPENDIX

### 4.1 Financial Statements

#### Consolidated Balance Sheet 30 September 2017

Prepared by: COSCO SHIPPING Development Co., Ltd.

*Unit: Yuan Currency: RMB Audit type: Unaudited*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Current assets:</b>		
Cash and bank balances	12,555,564,874.01	16,656,678,574.61
Deposit reservation for balance		
Placements with banks and other financial institutions		
Financial assets at fair value through profit and loss	61,088,628.54	72,465,984.14
Derivative financial assets		
Bills receivable		5,100,000.00
Accounts receivable	2,305,489,148.35	1,635,497,416.85
Funds paid in advance	861,308,881.92	599,823,045.93
Premiums receivable		
Reinsurance accounts receivable	26,985,045.58	15,058,468.91
Deposits receivable from reinsurance contracts		
Interests receivable	19,668,078.02	9,992,776.92
Dividends receivable	5,098,234.29	
Other receivables	132,570,404.63	174,268,394.77
Purchases of resold financial assets		
Inventories	1,128,260,923.15	859,414,858.62
Assets classified as held-for-sale		
Non-current assets due within one year	5,621,957,694.08	3,615,180,718.63
Other current assets	41,806,964.75	83,727,170.11
<b>Total current assets</b>	<b>22,759,798,877.32</b>	<b>23,727,207,409.49</b>

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Non-current assets:</b>		
Loans and advances granted	3,630,937,038.07	3,331,026,465.00
Available-for-sale financial assets	3,613,414,664.69	6,114,081,640.59
Held-to-maturity investments		
Long-term receivables	18,934,409,295.96	15,010,396,748.47
Long-term equity investment	19,556,825,655.09	18,381,729,276.37
Investment property	17,421,854.87	8,217,011.97
Fixed assets	54,335,697,727.00	57,075,286,796.72
Construction in progress	40,624,534.13	1,276,724,888.86
Construction materials		
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	221,548,964.66	242,616,289.38
Development expenditure		
Goodwill		
Long-term deferred expenses	27,923,182.33	40,426,877.20
Deferred income tax assets	95,866,620.01	89,481,955.32
Other non-current assets	111,600,000.00	144,229,418.26
<b>Total non-current assets</b>	<b>100,586,269,536.81</b>	<b>101,714,217,368.14</b>
<b>Total assets</b>	<b>123,346,068,414.13</b>	<b>125,441,424,777.63</b>
<b>Current liabilities:</b>		
Short term borrowings	14,761,516,500.00	18,788,111,597.79
Borrowings from central bank		
Deposit taking and deposit in inter-bank market	8,352,917,069.29	8,551,516,565.85
Placements funds		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Bills payable	476,404,272.00	91,000,000.00
Accounts payable	2,164,571,571.24	1,621,267,788.61
Funds received in advance	122,150,632.51	101,448,737.74
Funds from disposal of repurchased financial assets		
Handling charges and commissions payable		
Staff remuneration payable	263,103,652.27	113,035,343.58
Taxes payable	201,538,431.27	156,316,045.52
Interests payable	239,514,638.46	326,692,073.68
Dividends payable		
Other payables	1,410,718,259.57	1,586,866,532.10
Reinsurance accounts payable	61,840,643.51	26,474,591.38
Deposits for insurance contracts		
Customer deposits for trading in securities		
Customer deposits for securities underwriting		
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	12,257,884,974.51	13,249,066,055.68
Other current liabilities		
<b>Total current liabilities</b>	<b>40,312,160,644.63</b>	<b>44,611,795,331.93</b>

Item	Closing balance	Opening balance
<b>Non-current liabilities:</b>		
Long term borrowings	63,948,380,897.17	64,102,360,781.20
Bonds payable	1,145,793,478.61	1,426,941,695.60
Including: Preferred shares		
Perpetual bonds		
Long term payables	2,735,229,611.28	1,468,422,073.20
Long-term staff remuneration payable		
Specific payables		
Projected liabilities		
Deferred income	4,393,753.00	4,750,000.00
Deferred income tax liabilities	274,734,860.79	264,041,182.47
Other non-current liabilities		
<b>Total non-current liabilities</b>	68,108,532,600.85	67,266,515,732.47
<b>Total liabilities</b>	108,420,693,245.48	111,878,311,064.40
<b>Owners' equity:</b>		
Share capital	11,683,125,000.00	11,683,125,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	-180,185,472.81	-277,716,028.27
Less: treasury shares		
Other comprehensive income	-2,900,425,323.80	-2,760,798,952.34
Special reserve	244,196.27	
Surplus reserve	1,362,073,031.79	1,362,073,031.79
General risk provision	79,290,971.16	79,290,971.16
Retained earnings	4,303,547,763.67	3,164,073,135.83
Total equity attributable to the owner of the parent company	14,347,670,166.28	13,250,047,158.17
Minority interests	577,705,002.37	313,066,555.06
<b>Total owners' equity</b>	14,925,375,168.65	13,563,113,713.23
<b>Total liabilities and owners' equity</b>	123,346,068,414.13	125,441,424,777.63

Legal  
representative:  
Sun Yueying

Person-in-charge of  
accounting affairs:  
Zhang Mingwen

Head of the accounting  
department:  
Li Rong



## Balance Sheet of the Parent Company

30 September 2017

Prepared by: COSCO SHIPPING Development Co., Ltd.

*Unit: Yuan Currency: RMB Audit type: Unaudited*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Current assets:</b>		
Cash and bank balances	1,570,629,284.37	1,283,344,359.10
Financial assets at fair value through profit and loss		
Derivative financial assets		
Bills receivable		5,100,000.00
Accounts receivable	557,064,048.87	2,110,410,098.82
Funds paid in advance	35,213,913.60	106,218,158.83
Interests receivable	9,967,992.26	6,648,427.52
Dividends receivable	258.84	270.54
Other receivables	975,456,328.78	146,086,298.87
Inventories	342,553,240.64	291,014,782.03
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	4,700,000,000.00	903,858,120.30
<b>Total current assets</b>	<b>8,190,885,067.36</b>	<b>4,852,680,516.01</b>

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Non-current assets:</b>		
Available-for-sale financial assets	2,198,716,064.25	1,071,056,890.31
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	34,488,297,509.90	34,101,389,954.84
Investment property		
Fixed assets	13,619,632,317.79	14,264,810,826.52
Construction in progress		
Construction materials		
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	703,176.08	926,244.36
Development expenditure		
Goodwill		
Long-term deferred expenses	20,500,556.44	28,624,838.82
Deferred income tax assets		
Other non-current assets	2,291,070,000.00	3,081,100,000.00
<b>Total non-current assets</b>	<b>52,618,919,624.46</b>	<b>52,547,908,754.85</b>
<b>Total assets</b>	<b>60,809,804,691.82</b>	<b>57,400,589,270.86</b>
<b>Current liabilities:</b>		
Short term borrowings	10,400,000,000.00	3,634,836,197.79
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Bills payable		
Accounts payable	474,053,017.81	277,697,008.31
Funds received in advance		
Staff remuneration payable	38,290,863.45	54,931,745.39
Taxes payable	22,870,981.17	798,011.19
Interests payable	30,205,454.95	86,616,719.65
Dividends payable		
Other payables	4,747,751,426.85	6,895,278,796.41
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	1,000,000,000.00	2,803,883,328.56
Other current liabilities		
<b>Total current liabilities</b>	<b>16,713,171,744.23</b>	<b>13,754,041,807.30</b>

Item	Closing balance	Opening balance
<b>Non-current liabilities:</b>		
Long term borrowings	16,802,600,000.00	15,577,600,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long term payables		
Long-term staff remuneration payable		
Specific payables		
Projected liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
<b>Total non-current liabilities</b>	16,802,600,000.00	15,577,600,000.00
<b>Total liabilities</b>	33,515,771,744.23	29,331,641,807.30
<b>Owners' equity:</b>		
Share capital	11,683,125,000.00	11,683,125,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	16,352,436,411.22	16,352,436,411.22
Less: treasury shares		
Other comprehensive income	-251,268,834.56	121,071,989.15
Special reserve		
Surplus reserve	1,355,762,889.20	1,355,762,889.20
Retained earnings	-1,846,022,518.27	-1,443,448,826.01
<b>Total owners' equity</b>	27,294,032,947.59	28,068,947,463.56
<b>Total liabilities and owners' equity</b>	60,809,804,691.82	57,400,589,270.86

Legal  
representative:  
Sun Yueying

Person-in-charge of  
accounting affairs:  
Zhang Mingwen

Head of the accounting  
department:  
Li Rong

**Consolidated Income Statement**  
January to September 2017

Prepared by: COSCO SHIPPING Development Co., Ltd.

*Unit: Yuan Currency: RMB Audit type: Unaudited*

Item	Amount for the Reporting Period (July to September)	Amount for the same period last year (July to September) (Restated)	Amount for the period from the beginning of the year to the end of the Reporting Period (January to September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January to September) (Restated)
<b>I. Total operating revenue</b>	4,287,659,112.90	3,479,952,271.66	12,183,117,261.02	12,297,782,363.64
Including: Revenue from operations	4,178,554,693.33	3,396,352,638.65	11,894,720,024.63	12,065,241,826.83
Interest income	93,675,345.35	75,999,697.36	250,895,092.23	205,320,956.87
Premiums earned				
Handling charges and commission income	15,429,074.22	7,599,935.65	37,502,144.16	27,219,579.94
<b>II. Total cost of sales</b>	4,501,830,662.29	3,541,746,187.39	12,405,826,611.88	13,168,989,893.98
Including: Operating cost	3,325,279,746.83	2,779,491,340.30	9,444,016,722.75	11,024,847,188.00
Interest expenses	26,698,485.24	19,693,039.47	68,711,484.24	39,819,778.78
Handling charges and commission expenses	164,452.81	159,263.02	491,012.00	285,215.40
Surrender payment				
Net expenditure for compensation payments				
Net provision for insurance deposits				
Policyholder dividend expenses				
Reinsurance costs				
Taxes and surcharges	14,279,773.55	4,847,694.94	43,261,312.30	20,900,248.64
Selling expenses	2,262,934.83	678,089.55	8,260,157.32	9,460,510.71
Administrative expenses	320,942,906.18	157,204,161.57	622,416,700.57	655,416,322.48
Finance costs	774,238,180.27	442,856,404.15	2,161,024,792.09	1,209,039,548.59
Asset impairments loss	37,964,182.58	136,816,194.39	57,644,430.61	209,221,081.38
Add:				
Gains from changes in fair value (loss is represented by "-")	-162,073.84	6,451.08	296,939.03	-88,016.98
Investment income (loss is represented by "-")	358,335,551.76	338,420,741.96	1,646,414,562.62	1,172,336,844.00
Including: Gains from investment in associates and joint ventures	291,342,931.04	321,801,729.30	1,459,886,743.45	1,013,960,832.45
Gains from foreign currency exchange (loss is represented by "-")				
Other gains	18,219,262.54		29,860,960.54	

Item	Amount for the Reporting Period (July to September)	Amount for the same period last year (July to September) (Restated)	Amount for the period from the beginning of the year to the end of the Reporting Period (January to September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January to September) (Restated)
<b>III. Profit from operations (loss is represented by “-”)</b>	162,221,191.07	276,633,277.31	1,453,863,111.33	301,041,296.68
Add: Non-operating income	5,235,042.38	277,950,338.15	20,114,064.18	357,635,380.95
Including: Gain from disposal of non-current assets	4,318,628.40	1,089,190.71	16,033,873.87	49,643,676.16
Less: Non-operating expense	-1,384,974.44	-1,413,193.26	5,318,386.35	10,539,511.78
Including: Loss from disposal of non-current assets	-1,608,795.00	-1,646,983.09	4,477,831.39	4,304,370.59
<b>IV. Total profit (total loss is represented by “-”)</b>	168,841,207.89	555,996,808.72	1,468,658,789.16	648,137,165.85
Less: Income tax expenses	65,602,926.42	53,812,268.32	277,908,055.50	136,186,045.05
<b>V. Net profit (net loss is represented by “-”)</b>	103,238,281.47	502,184,540.40	1,190,750,733.66	511,951,120.80
Net profit attributable to the owner of the parent company	84,785,188.74	493,263,578.25	1,139,474,627.84	475,398,330.45
Minority interests	18,453,092.73	8,920,962.15	51,276,105.82	36,552,790.35
<b>VI. Net other comprehensive income after taxes</b>	67,376,923.46	144,563,464.51	-136,264,029.97	-232,344,772.62
Net other comprehensive income attributable to owners of the parent company after taxes	67,661,816.85	147,284,621.71	-139,626,371.46	-220,795,374.97
(I) Items that may not be reclassified subsequently to profit or loss				
1. Changes in net liabilities or net assets arising from the re- measurement of defined benefit plans				
2. Shares of other comprehensive income of investees that may not be reclassified to profit or loss under the equity method				
(II) Items that may be subsequently reclassified to profit or loss	67,661,816.85	147,284,621.71	-139,626,371.46	-220,795,374.97
1. Shares of other comprehensive income of investees that may be reclassified to profit or loss under the equity method subsequently	-13,360,954.09	106,378,317.85	-137,371,315.08	96,860,470.72
2. Gains or losses from changes in fair value of available-for-sale financial assets	10,985,605.13	32,076,693.08	-357,836,672.98	-59,034,653.17

Item	Amount for the Reporting Period (July to September)	Amount for the same period last year (July to September) (Restated)	Amount for the period from the beginning of the year to the end of the Reporting Period (January to September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January to September) (Restated)
3. Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets				
4. Effective portion of cash flow adjusted for hedging gains or losses	-440,794.55	9,706,555.12	-2,152,227.62	-22,489,196.08
5. Exchange differences from translation of financial statements	70,477,960.36	-876,944.34	357,733,844.22	-236,131,996.44
6. Others				
Net other comprehensive income attributable to minority interests after taxes	-284,893.39	-2,721,157.20	3,362,341.49	-11,549,397.65
<b>VII. Total comprehensive income</b>	<b>170,615,204.93</b>	<b>646,748,004.91</b>	<b>1,054,486,703.69</b>	<b>279,606,348.18</b>
Total comprehensive income attributable to owners of the parent company	152,447,005.59	640,548,199.96	999,848,256.38	254,602,955.48
Total comprehensive income attributable to minority shareholders	18,168,199.34	6,199,804.95	54,638,447.31	25,003,392.70
<b>VIII. Earnings per share:</b>				
(1) Basic earnings per share (RMB per share)	0.0073	0.0422	0.0975	0.0407
(2) Diluted earnings per share (RMB per share)	0.0073	0.0422	0.0975	0.0407

For the business combination under common control effected in the Reporting Period, the net profit recognized by the consolidated party before the consolidation was nil, and the net profit recognized by the consolidated party in the previous period was RMB1,340,969,230.23.

Legal  
representative:  
Sun Yueying

Person-in-charge of  
accounting affairs:  
Zhang Mingwen

Head of the accounting  
department:  
Li Rong

**Income Statement of the Parent Company**  
January to September 2017

Prepared by: COSCO SHIPPING Development Co., Ltd.

*Unit: Yuan Currency: RMB Audit type: Unaudited*

Item	Amount for the Reporting Period (July to September)	Amount for the same period last year (July to September)	Amount for the period from the beginning of the year to the end of the Reporting Period (January to September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
<b>I. Revenue from operations</b>	555,113,272.03	608,010,568.97	1,782,581,623.66	3,118,763,786.84
Less: Operating cost	421,442,839.50	820,435,523.87	1,228,622,464.47	3,423,908,117.99
Taxes and surcharges	4,279,048.57	8,986,661.27	10,035,525.67	14,079,003.57
Selling expenses				
Administrative expenses	68,469,754.15	32,823,356.20	140,632,069.62	206,140,718.70
Finance costs	275,166,104.93	100,684,158.34	805,185,933.07	276,323,921.45
Asset impairments loss	3,396,598.07	-4,005,188.94	-1,500,000.00	-11,429,973.99
Add: Gains from changes in fair value (loss is represented by “-”)				
Investment income (loss is represented by “-”)	-683,471.13	-435,277.19	-3,015,732.60	40,782,853.02
Including: Gains from investment in associates and joint ventures	-760,183.47	-4,560,099.11	-3,092,444.94	13,196,735.57
Other gains				
<b>II. Profit from operations (loss is represented by “-”)</b>	-218,324,544.32	-351,349,218.96	-403,410,101.77	-749,475,147.86
Add: Non-operating income	610,589.20	243,933,382.56	1,790,150.83	255,805,867.05
Including: Gain from disposal of non-current assets	252,414.00		252,414.00	167,025.64
Less: Non-operating expense	-87,266.80	334,800.39	953,741.32	876,571.63
Including: Loss from disposal of non-current assets	-139,125.49	155,199.19	901,882.63	181,106.06
<b>III. Total profit (total loss is represented by “-”)</b>	-217,626,688.32	-107,750,636.79	-402,573,692.26	-494,545,852.44
Less: Income tax expenses				
<b>IV. Net profit (net loss is represented by “-”)</b>	-217,626,688.32	-107,750,636.79	-402,573,692.26	-494,545,852.44

Item	Amount for the Reporting Period (July to September)	Amount for the same period last year (July to September)	Amount for the period from the beginning of the year to the end of the Reporting Period (January to September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
<b>V. Net other comprehensive income after taxes</b>		7,491,377.75	-372,340,823.71	
(I) Items that may not be reclassified subsequently to profit or loss				
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans				
2. Shares of other comprehensive income of investees that may not be reclassified to profit or loss under the equity method				
(II) Items that may be subsequently reclassified to profit or loss		7,491,377.75	-372,340,823.71	
1. Shares of other comprehensive income of investees that may be reclassified to profit or loss under the equity method subsequently		7,491,377.75		
2. Gains or losses from changes in fair value of available-for-sale financial assets			-372,340,823.71	
3. Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets				
4. Effective portion of cash flow adjusted for hedging gains or losses				
5. Exchange differences from translation of financial statements				
6. Others				
<b>VI. Total comprehensive income</b>	-217,626,688.32	-100,259,259.04	-774,914,515.97	-494,545,852.44
<b>VII. Earnings per share:</b>				
(1) Basic earnings per share (RMB per share)				
(2) Diluted earnings per share (RMB per share)				

Legal  
representative:  
Sun Yueying

Person-in-charge of  
accounting affairs:  
Zhang Mingwen

Head of the accounting  
department:  
Li Rong



## Consolidated Cash Flow Statement

January to September 2017

Prepared by: COSCO SHIPPING Development Co., Ltd.

*Unit: Yuan Currency: RMB Audit type: Unaudited*

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January to September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January to September) (Restated)
<b>I. Cash flow from operating activities:</b>		
Cash received from sales of goods and provision of services	11,933,602,109.87	18,864,257,202.69
Net increase in deposits from customers and placements from banks and other financial institutions	-198,599,496.56	3,484,477,742.78
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance business	6,790,181.76	28,610,684.18
Net increase in deposits from policyholders and investments		
Net increase in disposal of financial assets at fair value through profit and loss		
Cash received from interest, handling charges and commissions	248,607,884.28	221,194,723.67
Net increase in capital due to banks and other financial institutions		
Net increase in repurchases business fund		
Tax rebates	263,838,510.81	250,756,508.57
Other cash received from activities related to operation	684,556,312.71	636,911,470.35
<b>Sub-total of cash inflow from operating activities</b>	<b>12,938,795,502.87</b>	<b>23,486,208,332.24</b>
Cash paid for goods purchased and service rendered	6,410,320,013.90	16,307,178,845.51
Net increase in loans and advances to customers	358,882,639.05	-1,041,699,020.00
Net increase in placements with central bank and other financial institutions	-10,664,367.31	318,289,386.29
Cash paid for claims on original insurance contracts		
Cash payment for interest, handling charges and commissions	74,150,741.82	36,257,004.50
Cash payment for policyholder dividend		
Cash paid to and on behalf of employees	937,757,811.52	892,102,200.25
Taxes paid	344,711,267.59	318,744,841.72
Other cash paid for activities relating to operation activities	419,040,616.35	394,589,415.59
<b>Sub-total of cash outflow from operating activities</b>	<b>8,534,198,722.92</b>	<b>17,225,462,673.86</b>
<b>Net cash flows from operating activities</b>	<b>4,404,596,779.95</b>	<b>6,260,745,658.38</b>

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January to September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January to September) (Restated)
<b>II. Cash flow from investment activities:</b>		
Cash received from disposal of investments	13,344,954,526.58	5,158,874,812.17
Cash received from gains in investments	347,480,988.55	236,668,356.21
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,335,151,361.19	1,243,834,568.61
Net cash received from disposal of subsidiaries and other operating entities	2,284,208.77	
Other cash received relating to investment activities	75,000,000.00	
<b>Sub-total of cash inflow from investment activities</b>	<b>15,104,871,085.09</b>	<b>6,639,377,736.99</b>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	11,667,980,935.02	9,048,256,060.56
Cash paid for investment	7,261,817,329.55	2,323,773,698.60
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid related to investment activities	77,080,854.40	379,077,430.20
<b>Sub-total of cash outflow from investment activities</b>	<b>19,006,879,118.97</b>	<b>11,751,107,189.36</b>
<b>Net cash flow from investment activities</b>	<b>-3,902,008,033.88</b>	<b>-5,111,729,452.37</b>
<b>III. Cash flow from financing activities:</b>		
Proceeds received from investments	210,000,000.00	
Including: Proceeds received by subsidiaries from minority shareholder's investment	210,000,000.00	
Cash received from borrowings	28,904,422,522.65	120,322,454,065.79
Cash received from issue of bonds		
Other cash received relating to financing activities	1,999,598.65	
<b>Sub-total of cash inflow from financing activities</b>	<b>29,116,422,121.30</b>	<b>120,322,454,065.79</b>
Cash paid for repayment of debts	30,826,608,440.11	83,578,284,682.51
Cash payments for dividend and profit distribution or interest repayment	2,571,463,349.32	1,586,290,723.54
Including: Dividend and profit paid by subsidiary to minority shareholders		277,138,079.90
Other cash paid relating to financing activities	220,576,659.98	34,054,067,634.94
<b>Sub-total of cash outflow from financing activities</b>	<b>33,618,648,449.41</b>	<b>119,218,643,040.99</b>
<b>Net cash flow from financing activities</b>	<b>-4,502,226,328.11</b>	<b>1,103,811,024.80</b>
<b>IV. Effect on cash and cash equivalents due to changes in foreign exchange rates</b>	<b>-179,777,867.99</b>	<b>207,612,766.06</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>-4,179,415,450.03</b>	<b>2,460,439,996.87</b>
Add: Balance of cash and cash equivalents at the beginning of the period	15,527,253,854.70	15,931,670,596.28
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>11,347,838,404.67</b>	<b>18,392,110,593.15</b>

Legal  
representative:  
Sun Yueying

Person-in-charge of  
accounting affairs:  
Zhang Mingwen

Head of the accounting  
department:  
Li Rong

## Cash Flow Statement of the Parent Company

January to September 2017

Prepared by: COSCO SHIPPING Development Co., Ltd.

*Unit: Yuan Currency: RMB Audit type: Unaudited*

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January to September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
<b>I. Cash flow from operating activities:</b>		
Cash received from sales of goods and provision of services	162,648,593.93	2,480,236,495.43
Tax rebates	15,087,494.29	139,816,028.82
Other cash received from activities related to operation	1,797,837,655.00	228,166,402.89
<b>Sub-total of cash inflow from operating activities</b>	1,975,573,743.22	2,848,218,927.14
Cash paid for goods purchased and service rendered	134,186,878.04	5,491,542,114.87
Cash paid to and on behalf of employees	457,180,138.01	488,282,150.42
Taxes paid	37,546,634.82	77,983,245.92
Other cash paid for activities relating to operation	1,450,882,353.82	436,248,121.60
<b>Sub-total of cash outflow from operating activities</b>	2,079,796,004.69	6,494,055,632.81
<b>Net cash flows from operating activities</b>	1,395,777,738.53	-3,645,836,705.67
<b>II. Cash flow from investment activities:</b>		
Cash received from disposal of investments	1,100,000,000.00	4,725,253,113.39
Cash received from gains in investments	76,712.34	243,491,037.45
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	760,918.47	168,942.93
Net cash received from disposal of subsidiaries and other operating entities	8,349,017.53	
Other cash received relating to investment activities	75,000,000.00	
<b>Sub-total of cash inflow from investment activities</b>	1,184,186,648.34	4,968,913,093.77
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	4,530,631.14	3,374,548.86
Cash paid for investment	7,589,999,997.65	10,273,166,400.00
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid related to investment activities		
<b>Sub-total of cash outflow from investment activities</b>	7,594,530,628.79	10,276,540,948.86
<b>Net cash flow from investment activities</b>	-6,410,343,980.45	-5,307,627,855.09

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January to September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
<b>III. Cash flow from financing activities:</b>		
Proceeds received from investments		
Cash received from borrowings	14,050,000,000.00	8,767,966,197.79
Cash received from issue of bonds		
Other cash received relating to financing activities	1,019,072.75	
<b>Sub-total of cash inflow from financing activities</b>	<b>14,051,019,072.75</b>	<b>8,767,966,197.79</b>
Cash paid for repayment of debts	7,864,836,197.79	199,876,889.08
Cash payments for dividend and profit distribution or interest repayment	813,704,735.73	77,500,000.00
Other cash paid relating to financing activities	51,426,760.92	34,134,879.18
<b>Sub-total of cash outflow from financing activities</b>	<b>8,729,967,694.44</b>	<b>311,511,768.26</b>
<b>Net cash flow from financing activities</b>	<b>5,321,051,378.31</b>	<b>8,456,454,429.53</b>
<b>IV. Effect on cash and cash equivalents due to changes in foreign exchange rates</b>	<b>-19,300,211.12</b>	<b>-27,388,659.49</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>287,184,925.27</b>	<b>-524,398,790.72</b>
Add: Balance of cash and cash equivalents at the beginning of the period	1,283,244,359.10	5,610,905,082.75
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>1,570,429,284.37</b>	<b>5,086,506,292.03</b>

Legal  
representative:  
Sun Yueying

Person-in-charge of  
accounting affairs:  
Zhang Mingwen

Head of the accounting  
department:  
Li Rong

#### 4.2 AUDIT REPORT

Applicable  Not Applicable

## CAUTION STATEMENT

The board of directors hereby reminds the investors that the above extracts from the Quarterly Report are prepared on the basis of the Group's internal information and management accounts and have not been reviewed or audited by the auditors. **Investors should be aware of market risks and should not rely unduly on the extracts from the Quarterly Report above. In addition, investors should exercise caution when dealing in the shares of the Company.**

By order of the Board  
**COSCO SHIPPING Development Co., Ltd.**  
**Yu Zhen**  
*Joint Company Secretary*

Shanghai, the People's Republic of China  
30 October 2017

*As at the date of this announcement, the board of directors comprises Ms. Sun Yueying, Mr. Wang Daxiong, Mr. Liu Chong and Mr. Xu Hui, being executive directors, Mr. Feng Boming, Mr. Huang Jian and Mr. Chen Dong, being non-executive directors, and Mr. Cai Hongping, Ms. Hai Chi Yuet and Mr. Graeme Jack, being independent non-executive directors.*

\* *The Company is a registered non-Hong Kong company as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and it is registered under its Chinese name and under the English name "COSCO SHIPPING Development Co., Ltd."*