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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)**

## **2020 FIRST 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 first quarter of 2020 (the "Reporting Period") will be published on the Shanghai Stock Exchange on 29 April 2020. 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 this 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 this Quarterly Report.
- 1.3 Wang Daxiong, the person-in-charge of the Company, Lin Feng, the person-in-charge of accounting affairs, and Zhang Mingming, the head of the accounting department (officer in charge of accounting) have confirmed the truthfulness, accuracy and completeness of the financial statements contained in this Quarterly Report.
- 1.4 The First Quarterly Report of the Company has not been audited.

## 2. COMPANY PROFILE

### 2.1 Principal financial data

*Unit: Yuan Currency: RMB*

	<b>As at the end of the Reporting Period</b>	<b>As at the end of the previous year</b>	<b>Increase/ decrease at the end of the Reporting Period as compared with the end of the previous year (%)</b>
Total assets	154,435,089,022.71	144,494,117,837.27	6.88
Net assets attributable to equity holders of the listed company	24,430,069,013.53	24,207,718,480.05	0.92
	<b>From the beginning of the year to the end of the Reporting Period</b>	<b>From the beginning of the previous year to the end of the reporting period of previous year</b>	<b>Increase/ decrease as compared with the corresponding period of last year (%)</b>
Net cash flow from operating activities	1,060,951,788.02	1,860,238,114.02	-42.97
	<b>From the beginning of the year to the end of the Reporting Period</b>	<b>From the beginning of the previous year to the end of the reporting period of previous year</b>	<b>Increase/ decrease as compared with the corresponding period of last year (%)</b>
Revenue	3,443,612,007.07	3,200,968,180.02	7.58
Net profit attributable to equity holders of the listed company	341,957,733.55	596,375,913.68	-42.66
Net profit attributable to equity holders of the listed company, excluding extraordinary gains or losses	332,576,408.84	585,596,142.53	-43.21
Weighted average return on net assets (%)	1.67	3.21	Decreased by 1.54 percentage points
Basic earnings per share (RMB per share)	0.0249	0.0511	-51.27
Diluted earnings per share (RMB per share)	0.0249	0.0511	-51.27

Items and amounts of extraordinary gains or losses

Applicable     Not Applicable

*Unit: Yuan    Currency: RMB*

<b>Item</b>	<b>Amount for the Reporting Period</b>
Gain/loss from disposal of non-current assets	6,725,467.06
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 continuously received in a certain amount or fixed quantity according to the requirements of state policy and state standards)	9,749,405.14
Other non-operating income/expenses excluding the items above	-4,740,405.25
Income tax effect	<u>-2,353,142.24</u>
<b>Total</b>	<b><u><u>9,381,324.71</u></u></b>

**2.2 Total number of shareholders, shareholding of the top 10 shareholders and the top 10 tradable shareholders (or shareholders who are not subject to selling restrictions) as at the end of the Reporting Period**

*Unit: Shares*

Total number of shareholders (household) 331,764

**Shareholding of the top 10 shareholders**

Name of shareholders (Full name)	Number of shares held at the end of the period	Percentage (%)	Number of shares subject to selling restrictions	Number of shares pledged or frozen	Status of shares	Nature of shareholders
China Shipping Group Company Limited	4,410,624,386	38.00%	0	Nil	0	State-owned corporation
HKSCC NOMINEES LIMITED	3,655,665,225	31.49%	0	Unknown	Unknown	Foreign corporation
State Development & Investment Corporation	247,909,807	2.14%	0	Nil	0	State-owned corporation
China Securities Finance Corporation Limited	210,853,717	1.82%	0	Nil	0	State-owned corporation
Guoxin Investment Co., Ltd.	93,717,779	0.81%	0	Nil	0	State-owned corporation
A securities account of COSCO Shipping Development Co., Ltd. designated for repurchase	79,627,003	0.69%	0	Nil	0	State-owned corporation
Central Huijin Asset Management Ltd.	65,454,300	0.56%	0	Nil	0	State-owned corporation
Hong Kong Securities Clearing Company Ltd.	54,325,661	0.47%	0	Nil	0	Other
Agricultural Bank of China Limited – CSI 500 Exchange Traded Fund	35,363,472	0.30%	0	Nil	0	Other
Aegon Industrial Fund – Bank of Shanghai – China Shipping (Group) Company	33,399,288	0.29%	0	Nil	0	Other

## Shareholding of the top 10 shareholders who are not subject to selling restrictions

Name of shareholders	Number of shares not subject to selling restrictions held	Type and number of shares	
		Type	Number
China Shipping Group Company Limited	4,410,624,386	RMB ordinary shares	4,410,624,386
HKSCC NOMINEES LIMITED	3,655,665,225	Overseas listed foreign shares	3,655,665,225
State Development & Investment Corporation	247,909,807	RMB ordinary shares	247,909,807
China Securities Finance Corporation Limited	210,853,717	RMB ordinary shares	210,853,717
Guoxin Investment Co., Ltd.	93,717,779	RMB ordinary shares	93,717,779
A securities account of COSCO Shipping Development Co., Ltd. designated for repurchase	79,627,003	RMB ordinary shares	79,627,003
Central Huijin Asset Management Ltd.	65,454,300	RMB ordinary shares	65,454,300
Hong Kong Securities Clearing Company Ltd.	54,325,661	RMB ordinary shares	54,325,661
Agricultural Bank of China Limited – CSI 500 Exchange Traded Fund	35,363,472	RMB ordinary shares	35,363,472
Aegon Industrial Fund – Bank of Shanghai – China Shipping (Group) Company	33,399,288	RMB ordinary shares	33,399,288

- Explanation of the connected relationship or acting-in-concert relationship among the above shareholders
- (1) The shares held by China Shipping Group Company Limited 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 Limited directly held 4,410,624,386 A shares in COSCO SHIPPING Development, representing 38.00% 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 held an aggregate of 4,458,195,175 A shares in COSCO SHIPPING Development, representing 38.41% of its entire share capital.
  - (4) At the end of the Reporting Period, China Shipping Group Company Limited held 100,944,000 H shares in COSCO SHIPPING Development, representing approximately 0.87% of its entire share capital.
  - (5) The Company was not notified of any connected relationship or acting-in-concert relationship among the above shareholders.

### 2.3 Total number of holders of preference shares, shareholding of the 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 increase in cash by 65.15% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase of the financing scale of the Company and the recovery of cash upon the maturity of trust wealth management products during the Reporting Period;
2. The decrease in trading financial assets by 94.28% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the redemption of trust wealth management products upon maturity during the Reporting Period;
3. The increase in bills receivable by 477.04% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in businesses settled by bills during the Reporting Period;
4. The increase in prepayments by 300.89% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to increase of prepayments for purchase of materials during the Reporting Period;
5. The increase in reinsurance accounts receivable by 733.14% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the expansion of the insurance agency business during the Reporting Period;
6. The decrease in other receivables by 63.37% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the recovery of transfer receivables during the Reporting Period;
7. The decrease in other current assets by 53.00% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the decrease in deductible input tax during the Reporting Period;
8. The increase in other non-current assets by 41.68% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the changes of variable gains or losses in interest rate swap contracts during the Reporting Period;
9. The increase in other current liabilities at the end of the Reporting Period was mainly due to the new issuance of super short-term commercial papers during the Reporting Period;
10. The increase in reinsurance accounts payable by 319.44% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the expansion of in the insurance agency business during the Reporting Period;
11. The decrease in lease liabilities by 33.04% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the payment of lease payment during the Reporting Period;

12. The increase in other non-current liabilities by 133.49% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the changes of variable gains or losses in interest rate swap contracts during the Reporting Period;
13. The increase in special reserve by 68.32% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the special reserve provided as required but not used during the Reporting Period;
14. The increase in handling charges and commission income by 100.46% during the Reporting Period as compared with the corresponding period of last year was mainly due to the expansion of the insurance agency business during the Reporting Period;
15. The increase in other gains by 214.80% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in government grants that are related to the normal operation during the Reporting Period;
16. The decrease in gains from changes in fair value by 137.93% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in gains from changes in fair value of financial assets held during the Reporting Period as compared with the corresponding period of last year;
17. The increase in credit impairment loss by 95.92% during the Reporting Period as compared with the corresponding period of last year was mainly due to the increase in receivables as compared with the beginning of the Reporting Period;
18. The decrease in gains from disposal of assets by 50.62% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in gains from disposal of containers during the Reporting Period as compared with the corresponding period of last year;
19. The decrease in non-operating income by 87.14% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in income from compensation during the Reporting Period as compared with the corresponding period of last year;
20. The decrease in income tax expenses by 49.97% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in the income tax payable during the Reporting Period as compared with the corresponding period of last year;
21. The decrease in net profit by 42.66% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in gains from changes in fair value during the Reporting Period as compared with the corresponding period of last year;
22. The decrease in net cash inflow from operating activities by 42.97% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in cash received from sales of goods and provision of services during the Reporting Period;
23. The increase in net cash inflow from financing activities by 564.80% during the Reporting Period as compared with the corresponding period of last year was mainly due to the decrease in cash paid for repayment of debts during the Reporting Period.

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

Applicable     Not Applicable

**3.3 Undertakings that have 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 31 March 2020

Prepared by: COSCO SHIPPING Development Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	31 March 2020	31 December 2019
<b>Current assets:</b>		
Cash	16,773,580,658.92	10,156,318,265.16
Deposit reservation for balance		
Placements with banks and other financial institutions		
Trading financial assets	28,102,971.70	490,966,828.33
Derivative financial assets		
Bills receivable	96,369,790.01	16,700,690.01
Accounts receivable	1,253,201,322.87	1,086,846,110.75
Receivables financing		
Funds paid in advance	920,578,967.04	229,632,984.01
Premiums receivable		
Reinsurance accounts receivable	62,095,379.79	7,453,139.84
Deposits receivable from reinsurance contracts		
Other receivables	122,779,853.59	335,165,149.03
Including: Interests receivable	2,373,957.13	3,620,822.08
Dividends receivable	1,544,083.12	1,520,350.06
Purchases of resold financial assets		
Inventories	1,142,254,408.57	881,129,437.17
Contract assets		
Assets held for sale		
Non-current assets due within one year	16,630,476,051.14	16,553,534,222.73
Other current assets	19,757,139.78	42,037,894.30
<b>Total current assets</b>	<b>37,049,196,543.41</b>	<b>29,799,784,721.33</b>

<b>Item</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>Non-current assets:</b>		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables	28,772,879,193.61	27,051,677,344.51
Long-term equity investments	26,456,099,993.14	25,854,213,940.22
Other equity instrument investments		
Other non-current financial assets	4,415,230,652.98	4,266,307,368.85
Investment property	107,194,831.41	105,547,216.40
Fixed assets	56,963,435,536.23	56,749,893,917.40
Construction in progress	56,218,144.26	52,433,795.02
Biological assets for production		
Fuel assets		
Right-of-use assets	148,835,967.58	163,824,621.16
Intangible assets	137,669,598.93	137,968,923.80
Development expenditure		
Goodwill		
Long-term deferred expenses	66,128,784.55	65,850,332.59
Deferred income tax assets	257,999,776.61	243,651,234.65
Other non-current assets	4,200,000.00	2,964,421.34
<b>Total non-current assets</b>	<b>117,385,892,479.30</b>	<b>114,694,333,115.94</b>
<b>Total assets</b>	<b>154,435,089,022.71</b>	<b>144,494,117,837.27</b>

<b>Item</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>Current liabilities:</b>		
Short-term borrowings	17,496,971,185.79	16,313,598,897.60
Borrowings from central bank		
Placements funds		
Trading financial liabilities		
Derivative financial liabilities		
Bills payable	785,000,060.00	926,240,520.00
Accounts payable	2,629,997,842.28	2,531,179,876.31
Funds received in advance	201,732,621.89	169,957,081.65
Contract liabilities	115,282,486.97	150,194,312.37
Funds from disposal of repurchased financial assets		
Deposit taking and deposit in inter-bank market		
Customer deposits for trading in securities		
Customer deposits for securities underwriting		
Staff remuneration payable	187,377,359.03	226,579,228.11
Taxes payable	201,338,805.14	209,093,839.61
Other payables	1,164,324,118.37	1,390,270,809.25
Including: Interests payable	407,922,215.97	408,710,217.19
Dividends payable	164,393,333.33	231,443,333.33
Handling charges and commissions payable		
Reinsurance accounts payable	94,459,029.78	22,520,027.50
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	38,870,871,710.08	32,328,476,114.65
Other current liabilities	5,006,620,218.57	
<b>Total current liabilities</b>	<b>66,753,975,437.90</b>	<b>54,268,110,707.05</b>

Item	31 March 2020	31 December 2019
<b>Non-current liabilities:</b>		
Deposits for insurance contracts		
Long-term borrowings	51,352,347,155.10	54,853,208,883.56
Bonds payable	8,858,539,582.40	8,271,399,591.01
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	99,529,383.45	148,648,326.45
Long-term payables	2,553,335,552.50	2,352,044,869.48
Long-term staff remuneration payable	18,491,589.50	18,491,589.50
Projected liabilities		
Deferred income	11,096,563.92	11,484,209.25
Deferred income tax liabilities	329,601,833.34	350,975,260.05
Other non-current liabilities	28,102,911.07	12,035,920.87
<b>Total non-current liabilities</b>	<b>63,251,044,571.28</b>	<b>66,018,288,650.17</b>
<b>Total liabilities</b>	<b>130,005,020,009.18</b>	<b>120,286,399,357.22</b>
<b>Owners' equity (or shareholders' equity):</b>		
Paid-up capital (or share capital)	11,608,125,000.00	11,608,125,000.00
Other equity instruments	7,000,000,000.00	7,000,000,000.00
Including: Preferred shares		
Perpetual bonds	7,000,000,000.00	7,000,000,000.00
Capital reserve	334,410,830.03	332,017,874.77
Less: Treasury shares	233,428,071.84	233,428,071.84
Other comprehensive income	-2,746,470,617.71	-2,638,034,334.93
Special reserve	2,703,355.91	1,606,117.35
Surplus reserve	1,552,192,349.37	1,552,192,349.37
General risk provision		
Retained earnings	6,912,536,167.77	6,585,239,545.33
Total equity attributable to the owner of the parent company (or shareholders' equity)	24,430,069,013.53	24,207,718,480.05
Minority interests		
<b>Total owners' equity (or shareholders' equity)</b>	<b>24,430,069,013.53</b>	<b>24,207,718,480.05</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>154,435,089,022.71</b>	<b>144,494,117,837.27</b>

Legal  
representative:  
Wang Daxiong

Person-in-charge of  
accounting affairs:  
Lin Feng

Head of the accounting  
department:  
Zhang Mingming

## Balance Sheet of the Parent Company

31 March 2020

Prepared by: COSCO SHIPPING Development Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	31 March 2020	31 December 2019
<b>Current assets:</b>		
Cash and bank balances	7,079,587,931.55	2,855,428,469.26
Trading financial assets		
Derivative financial assets		
Bills receivable		
Accounts receivable	507,522,983.88	460,027,497.98
Receivables financing		
Funds paid in advance	2,804,259.95	2,915,268.39
Other receivables	1,394,597,666.14	2,370,070,980.51
Including: Interests receivable	24,346,691.41	25,957,989.38
Dividends receivable	1,080,000,276.32	2,080,000,272.07
Inventories	350,609,468.36	330,259,640.21
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	2,912,553,000.00	2,909,286,000.00
<b>Total current assets</b>	<b>12,247,675,309.88</b>	<b>8,927,987,856.35</b>

<b>Item</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>Non-current assets:</b>		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	38,868,718,550.88	38,804,676,762.28
Other equity instrument investments		
Other non-current financial assets	2,836,978,118.87	2,738,058,298.30
Investment property		
Fixed assets	11,610,818,863.45	11,805,888,407.67
Construction in progress	1,927,466.04	3,361,428.31
Biological assets for production		
Fuel assets		
Right-of-use assets	51,630,990.83	55,707,121.67
Intangible assets	3,437,687.55	1,893,845.99
Development expenditure		
Goodwill		
Long-term deferred expenses	300,086.67	574,767.94
Deferred income tax assets		
Other non-current assets	3,125,530,000.00	3,092,860,000.00
<b>Total non-current assets</b>	<b>56,499,341,764.29</b>	<b>56,503,020,632.16</b>
<b>Total assets</b>	<b>68,747,017,074.17</b>	<b>65,431,008,488.51</b>

Item	31 March 2020	31 December 2019
<b>Current liabilities:</b>		
Short-term borrowings	5,000,000,000.00	4,700,000,000.00
Trading financial liabilities		
Derivative financial liabilities		
Bills payable		
Accounts payable	365,148,504.45	270,473,405.10
Funds received in advance	758,000.00	881,726.00
Contract liabilities		
Staff remuneration payable	55,113,229.44	91,238,261.19
Taxes payable	34,182,950.91	16,834,791.45
Other payables	7,162,274,569.72	8,265,816,203.64
Including: Interests payable	85,536,496.14	111,482,931.51
Dividends payable	164,393,333.33	231,443,333.33
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	5,576,150,055.91	4,983,905,940.56
Other current liabilities	5,006,620,218.57	
<b>Total current liabilities</b>	<b>23,200,247,529.00</b>	<b>18,329,150,327.94</b>
<b>Non-current liabilities:</b>		
Long-term borrowings	3,566,500,000.00	4,833,600,000.00
Bonds payable	5,000,000,000.00	5,000,000,000.00
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	27,905,622.29	31,222,681.91
Long-term payables		
Long-term staff remuneration payable	17,525,449.50	17,525,449.50
Projected liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>8,611,931,071.79</b>	<b>9,882,348,131.41</b>
<b>Total liabilities</b>	<b>31,812,178,600.79</b>	<b>28,211,498,459.35</b>

<b>Item</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>Owners' equity (or shareholders' equity):</b>		
Paid-up capital (or share capital)	11,608,125,000.00	11,608,125,000.00
Other equity instruments	7,000,000,000.00	7,000,000,000.00
Including: Preferred shares		
Perpetual bonds	7,000,000,000.00	7,000,000,000.00
Capital reserve	16,360,730,879.30	16,360,730,879.30
Less: Treasury shares	233,428,071.84	233,428,071.84
Other comprehensive income	9,969,996.47	3,968,928.16
Special reserve		
Surplus reserve	1,545,882,206.78	1,545,882,206.78
Retained earnings	643,827,486.08	934,231,086.76
<b>Total owners' equity (or shareholders' equity)</b>	<b>36,935,107,496.79</b>	<b>37,219,510,029.16</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>68,747,017,074.17</b>	<b>65,431,008,488.51</b>

Legal  
representative:  
Wang Daxiong

Person-in-charge of  
accounting affairs:  
Lin Feng

Head of the accounting  
department:  
Zhang Mingming



## Consolidated Income Statement

January to March 2020

Prepared by: COSCO SHIPPING Development Co., Ltd.

Unit: Yuan    Currency: RMB    Audit type: Unaudited

Item	First quarter of 2020	First quarter of 2019
<b>I. Total operating revenue</b>	3,455,372,160.49	3,206,834,798.69
Including: Revenue from operations	3,443,612,007.07	3,200,968,180.02
Interest income		
Premiums earned		
Handling charges and commission income	11,760,153.42	5,866,618.67
<b>II. Total cost of sales</b>	3,329,331,430.51	3,618,009,343.45
Including: Operating cost	2,423,874,894.68	2,481,521,357.95
Interest expenses		
Handling charges and commission expenses		
Surrender payment		
Net expenditure for compensation payments		
Net provision for insurance liability		
Policyholder dividend expenses		
Reinsurance costs		
Taxes and surcharges	12,095,231.67	14,801,077.34
Selling expenses	3,021,386.28	2,916,637.61
Administrative expenses	246,990,580.50	201,777,255.23
Research and development expenses		17,685.00
Finance costs	643,349,337.38	916,975,330.32
Including: Interest expenses	680,881,076.46	888,916,003.89
Interest income	34,417,404.67	54,106,790.37
Add: Other gains	9,749,405.14	3,097,030.93
Investment income		
(loss is represented by “-”)	529,765,831.20	523,264,544.15
Including: Gains from investment in associates and joint ventures	519,009,505.82	523,179,452.93
Derecognition gains on financial assets measured at amortized cost		
Gains from foreign currency exchange (loss is represented by “-”)		
Gain from net exposure to hedging (loss is represented by “-”)		
Gains from changes in fair value (loss is represented by “-”)	-217,042,559.99	572,284,780.02
Credit impairment loss (loss is represented by “-”)	-78,037,364.77	-39,830,808.33
Asset impairments loss (loss is represented by “-”)		
Gains from disposal of assets (loss is represented by “-”)	6,725,467.06	13,619,619.18

Item	First quarter of 2020	First quarter of 2019
<b>III. Profit from operations (loss is represented by “-”)</b>	377,201,508.62	661,260,621.19
Add: Non-operating income	269,754.82	2,097,794.70
Less: Non-operating expenses	5,010,160.07	6,006,533.40
<b>IV. Total profit (total loss is represented by “-”)</b>	372,461,103.37	657,351,882.49
Less: Income tax expenses	30,503,369.82	60,975,968.81
<b>V. Net profit (net loss is represented by “-”)</b>	341,957,733.55	596,375,913.68
(I) Classified by continuity of operation		
1. Net profit from continuing operations (net loss expressed with “-”)	341,957,733.55	596,375,913.68
2. Net profit from discontinued operations (net loss expressed with “-”)		
(II) Classified by ownership of equity		
1. Net profit attributable to owners of the parent company (net loss expressed with “-”)	341,957,733.55	596,375,913.68
2. Minority interests (net loss expressed with “-”)		
<b>VI. Net other comprehensive income after taxes</b>	-108,436,282.78	300,583,994.34
(I) Net other comprehensive income attributable to owners of the parent company after taxes	-108,436,282.78	300,583,994.34
1. Items that may not be reclassified to profit or loss		
(1) Changes from the re-measurement of defined benefit plans		
(2) Other comprehensive income that may not be reclassified to profit or loss under the equity method		
(3) Changes in fair value of investments in other equity instruments		
(4) Changes in fair value of enterprise’s own credit risk		
2. Items that may be reclassified to profit or loss	-108,436,282.78	300,583,994.34
(1) Other comprehensive income that may be reclassified to profit or loss under the equity method	77,329,885.86	96,127,410.73
(2) Changes in fair value of other debt investments		
(3) Financial assets reclassified into other comprehensive income		
(4) Credit impairment provision for other debt investments		
(5) Reserve for cash flow hedging	-17,195,709.29	-3,993,561.58
(6) Exchange differences from translation of financial statements	-168,570,459.35	208,450,145.19
(7) Others		
(II) Net other comprehensive income attributable to minority interests after taxes		

Item	First quarter of 2020	First quarter of 2019
<b>VII. Total comprehensive income</b>	233,521,450.77	896,959,908.02
(I) Total comprehensive income attributable to owners of the parent company	233,521,450.77	896,959,908.02
(II) Total comprehensive income attributable to minority shareholders		
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share (RMB per share)	0.0249	0.0511
(II) Diluted earnings per share (RMB per share)	0.0249	0.0511

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 nil.

Legal  
representative:  
Wang Daxiong

Person-in-charge of  
accounting affairs:  
Lin Feng

Head of the accounting  
department:  
Zhang Mingming

## Income Statement of the Parent Company

January to March 2020

*Prepared by: COSCO SHIPPING Development Co., Ltd.*

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

Item	First quarter of 2020	First quarter of 2019
<b>I. Revenue from operations</b>	505,063,048.62	535,704,364.70
Less: Operating cost	420,722,425.61	426,540,094.95
Taxes and surcharges	4,630,813.38	6,202,152.65
Selling expenses		
Administrative expenses	29,862,326.90	31,801,509.08
Research and development expenses		
Finance costs	194,166,200.59	250,409,484.23
Including: Interest expenses	188,113,594.80	291,825,236.67
Interest income	20,650,531.83	48,235,591.09
Add: Other gains		
Investment income		
(loss is represented by “-”)	79,789,559.59	43,719,858.86
Including: Gains from investment in		
associates and joint ventures	58,309,743.70	43,719,858.86
Derecognition gains on financial		
assets measured at amortized cost		
Gain from net exposure to hedging		
(loss is represented by “-”)		
Gains from changes in fair value		
(loss is represented by “-”)	-211,213,331.30	642,619,531.23
Credit impairment loss		
(loss is represented by “-”)		
Asset impairments loss		
(loss is represented by “-”)		
Gains from disposal of assets		
(loss is represented by “-”)		

Item	First quarter of 2020	First quarter of 2019
<b>II. Profit from operations (loss is represented by “-”)</b>	-275,742,489.57	507,090,513.88
Add: Non-operating income		
Less: Non-operating expenses		
<b>III. Total profit (total loss is represented by “-”)</b>	-275,742,489.57	507,090,513.88
Less: Income tax expenses		
<b>IV. Net profit (net loss is represented by “-”)</b>	-275,742,489.57	507,090,513.88
(I) Net profit from continuing operations		
(net loss expressed with “-”)	-275,742,489.57	507,090,513.88
(II) Net profit from discontinued operations		
(net loss expressed with “-”)		
<b>V. Net other comprehensive income after taxes</b>	6,001,068.31	1,948,349.58
(I) Items that may not be reclassified to profit or loss		
1. Changes from the re-measurement of defined benefit plans		
2. Other comprehensive income that may not be reclassified to profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. Changes in fair value of enterprise’s own credit risk		
(II) Items that may be reclassified to profit or loss	6,001,068.31	1,948,349.58
1. Other comprehensive income that may be reclassified to profit or loss under the equity method	6,001,068.31	1,948,349.58
2. Changes in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Reserve for cash flow hedging		
6. Exchange differences from translation of financial statements		
7. Others		
<b>VI. Total comprehensive income</b>	-274,773,991.47	509,038,863.46
<b>VII. Earnings per share:</b>		
(I) Basic earnings per share (RMB per share)		
(II) Diluted earnings per share (RMB per share)		

Legal  
representative:  
Wang Daxiong

Person-in-charge of  
accounting affairs:  
Lin Feng

Head of the accounting  
department:  
Zhang Mingming

## Consolidated Cash Flow Statement

January to March 2020

*Prepared by: COSCO SHIPPING Development Co., Ltd.*

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

Item	First quarter of 2020	First quarter of 2019
<b>I. Cash flow from operating activities:</b>		
Cash received from sales of goods and provision of services	3,860,135,328.73	4,451,735,040.83
Net increase in deposits from customers and placements from banks and other financial institutions		
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		
Net increase in deposits from policyholders and investments		
Cash received from interest, handling charges and commissions		
Net increase in capital due to banks and other financial institutions		
Net increase in repurchases business fund		
Net cash received from trading in securities		
Receipt of tax rebates	48,137,033.30	101,012,947.74
Other cash received from activities relating to operation	122,075,123.35	111,859,100.23
<b>Sub-total of cash inflow from operating activities</b>	<b>4,030,347,485.38</b>	<b>4,664,607,088.80</b>
Cash paid for goods purchased and service rendered	2,261,556,376.59	2,070,993,598.14
Net increase in loans and advances to customers		
Net increase in placements with central bank and other financial institutions		
Cash paid for claims on original insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash payment for interest, handling charges and commission		
Cash payment for policyholder dividend		
Cash paid to and on behalf of employees	475,905,092.80	518,104,491.25
Taxes paid	116,305,267.07	109,677,822.25
Other cash paid for activities relating to operating activities	115,628,960.90	105,593,063.14
<b>Sub-total of cash outflow from operating activities</b>	<b>2,969,395,697.36</b>	<b>2,804,368,974.78</b>
<b>Net cash flows from operating activities</b>	<b>1,060,951,788.02</b>	<b>1,860,238,114.02</b>

Item	First quarter of 2020	First quarter of 2019
<b>II. Cash flow from investment activities:</b>		
Cash received from disposal of investments	4,411,763,561.56	2,626,491,315.18
Cash received from gains in investments	11,837,351.04	82,630.96
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	9,771,991.80	7,190,201.82
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investment activities	15,895,980.11	
<b>Sub-total of cash inflow from investment activities</b>	4,449,268,884.51	2,633,764,147.96
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	6,271,527,590.65	5,702,435,214.95
Cash paid for investment	430,000,000.00	28,500,000.00
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid relating to investment activities		
<b>Sub-total of cash outflow from investment activities</b>	6,701,527,590.65	5,730,935,214.95
<b>Net cash flow from investment activities</b>	-2,252,258,706.14	-3,097,171,066.99
<b>III. Cash flow from financing activities:</b>		
Proceeds received from investments		1,500,000,000.00
Including: Proceeds received by subsidiaries from minority shareholder's investment		
Cash received from borrowings	20,909,204,882.79	19,602,449,444.32
Other cash received relating to financing activities	11,657,508.68	
<b>Sub-total of cash inflow from financing activities</b>	20,920,862,391.47	21,102,449,444.32
Cash paid for repayment of debts	11,816,529,935.87	21,126,699,055.31
Cash payments for dividend and profit distribution or interest repayment	1,143,971,245.00	1,160,641,867.96
Including: Dividend and profit paid by subsidiary to minority shareholders		
Other cash paid relating to financing activities	1,178,003,591.59	274,318,858.84
<b>Sub-total of cash outflow from financing activities</b>	14,138,504,772.46	22,561,659,782.11
<b>Net cash flow from financing activities</b>	6,782,357,619.01	-1,459,210,337.79
<b>IV. Effect on cash and cash equivalents due to changes in foreign exchange rates</b>	51,322,847.38	-224,272,358.93
<b>V. Net increase in cash and cash equivalents</b>	5,642,373,548.27	-2,920,415,649.69
Add: Balance of cash and cash equivalents at the beginning of the period	9,635,095,552.61	15,249,193,722.11
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	15,277,469,100.88	12,328,778,072.42

Legal  
representative:  
Wang Daxiong

Person-in-charge of  
accounting affairs:  
Lin Feng

Head of the accounting  
department:  
Zhang Mingming

**Cash Flow Statement of the Parent Company**  
January to March 2020

*Prepared by: COSCO SHIPPING Development Co., Ltd.*

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

Item	First quarter of 2020	First quarter of 2019
<b>I. Cash flow from operating activities:</b>		
Cash received from sales of goods and provision of services	496,294,801.72	539,368,970.09
Receipt of tax rebates		
Other cash received from activities relating to operation	96,297,554.12	92,818,677.88
<b>Sub-total of cash inflow from operating activities</b>	<b>592,592,355.84</b>	<b>632,187,647.97</b>
Cash paid for goods purchased and services rendered	46,833,618.79	76,788,047.57
Cash paid to and on behalf of employees	218,986,059.03	326,688,785.93
Taxes paid	18,229,117.42	34,094,631.79
Other cash paid for activities relating to operation	45,174,347.61	37,297,910.44
<b>Sub-total of cash outflow from operating activities</b>	<b>329,223,142.85</b>	<b>474,869,375.73</b>
<b>Net cash flows from operating activities</b>	<b>263,369,212.99</b>	<b>157,318,272.24</b>
<b>II. Cash flow from investment activities:</b>		
Cash received from disposal of investments	20,000,000.00	1,070,000,000.00
Cash received from gains in investments	1,000,000,000.00	2,037,186,340.05
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investment activities		
<b>Sub-total of cash inflow from investment activities</b>	<b>1,020,000,000.00</b>	<b>3,107,186,340.05</b>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	220,000.00	138,679.25
Cash paid for investment	1,380,000,000.00	1,920,000,000.00
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid relating to investment activities		
<b>Sub-total of cash outflow from investment activities</b>	<b>1,380,220,000.00</b>	<b>1,920,138,679.25</b>
<b>Net cash flow from investment activities</b>	<b>-360,220,000.00</b>	<b>1,187,047,660.80</b>



Item	First quarter of 2020	First quarter of 2019
<b>III. Cash flow from financing activities:</b>		
Cash received from investments		1,500,000,000.00
Cash received from borrowings	7,780,000,000.00	8,000,000,000.00
Other cash received relating to financing activities	15,696,669.64	
<b>Sub-total of cash inflow from financing activities</b>	<b>7,795,696,669.64</b>	<b>9,500,000,000.00</b>
Cash paid for repayment of debts	3,155,000,000.00	11,510,400,000.00
Cash payments for dividend and profit distribution or interest repayment	288,667,775.29	283,321,762.25
Other cash paid relating to financing activities	22,613,114.76	324,382,332.86
<b>Sub-total of cash outflow from financing activities</b>	<b>3,466,280,890.05</b>	<b>12,118,104,095.11</b>
<b>Net cash flow from financing activities</b>	<b>4,329,415,779.59</b>	<b>-2,618,104,095.11</b>
<b>IV. Effect on cash and cash equivalents due to changes in foreign exchange rates</b>	<b>3,251,978.39</b>	<b>-9,304,504.39</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>4,235,816,970.97</b>	<b>-1,283,042,666.46</b>
Add: Balance of cash and cash equivalents at the beginning of the period	2,835,921,205.78	4,739,115,326.10
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>7,071,738,176.75</b>	<b>3,456,072,659.64</b>

Legal  
representative:  
Wang Daxiong

Person-in-charge of  
accounting affairs:  
Lin Feng

Head of the accounting  
department:  
Zhang Mingming

**4.2 Adjusting to the relevant items of financial statements at the beginning of the first adoption year due to the first adoption of new income standards and new leasing standards since 2020**

Applicable  Not Applicable

**4.3 Explanation on retrospective adjustment to the comparative figures of the previous period due to the first adoption of new income standards and new leasing standards since 2020**

Applicable  Not Applicable

**4.4 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.**  
**Cai Lei**  
*Joint Company Secretary*

Shanghai, the People's Republic of China  
29 April 2020

*As at the date of this announcement, the Board comprises Mr. Wang Daxiong, Mr. Liu Chong and Mr. Xu Hui, being executive directors, Mr. Feng Boming, Mr. Huang Jian and Mr. Liang Yanfeng, being non-executive directors, and Mr. Cai Hongping, Ms. Hai Chi Yuet, Mr. Graeme Jack, Mr. Lu Jianzhong and Ms. Zhang Weihua, 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."*