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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)

POSITIVE PROFIT ALERT

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

Based on the preliminary estimation by the finance department of the Company, the Board wishes to inform the Shareholders and potential investors that the Company expects (i) the net profit attributable to the Shareholders and other holders of interests for the year ended 31 December 2021 to be RMB5.8 billion to RMB6.8 billion, representing an increase of RMB3.7 billion to RMB4.7 billion, or approximately 172% to 219%, as compared with the corresponding figure for the year ended 31 December 2020; and (ii) the net profit attributable to the Shareholders and other holders of interests after deduction of non-recurring profit or loss for the year ended 31 December 2021 to be RMB4.0 billion to RMB5.0 billion, representing an increase of RMB2.0 billion to RMB3.0 billion, or approximately 104% to 155%, as compared with the corresponding figure for the year ended 31 December 2020.

The information contained in this announcement is only based on the preliminary review of the management accounts of the Company which have not been reviewed or audited by the auditors of the Company. Further information will be disclosed in the announcement of the final results of the Company for the year ended 31 December 2021, which is expected to be published in March 2022.

This announcement is made by COSCO SHIPPING Development Co., Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”). Unless otherwise defined herein, capitalized terms shall have the same meanings ascribed to them in the circulars of the Company dated 24 May 2021 and 11 December 2020.

Based on the preliminary estimation by the finance department of the Company, the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Company expects (i) the net profit attributable to the Shareholders and other holders of interests for the year ended 31 December 2021 to be RMB5.8 billion to RMB6.8 billion, representing an increase of RMB3.7 billion to RMB4.7 billion, or approximately 172% to 219%, as compared with the corresponding figure for the year ended 31 December 2020; and (ii) the net profit attributable to the Shareholders and other holders of interests after deduction of non-recurring profit or loss for the year ended 31 December 2021 to be RMB4.0 billion to RMB5.0 billion, representing an increase of RMB2.0 billion to RMB3.0 billion, or approximately 104% to 155%, as compared with the corresponding figure for the year ended 31 December 2020.

The net profit attributable to the Shareholders and other holders of interests for the year ended 31 December 2020 based on the China Accounting Standards for Business Enterprises# (《中國企業會計準則》) was RMB2.13 billion and the net profit attributable to the Shareholders and other holders of interests after deduction of non-recurring profit or loss for the year ended 31 December 2020 was RMB1.96 billion. The profit per share for the year ended 31 December 2020 was RMB0.1557.

During the year ended 31 December 2021 (the “**Reporting Period**”), the completion of the Proposed Acquisition is considered to be a business combination under common control and the consolidated statement of comprehensive income of the Enlarged Group for the year ended 31 December 2020 shall be adjusted accordingly. Based on the preliminary estimation by the finance department of the Company, the Company expects (i) the restated net profit attributable to the Shareholders and other holders of interests for the year ended 31 December 2020 to be RMB2.14 billion; and the restated net profit attributable to the Shareholders and other holders of interests after deduction of non-recurring profit or loss for the year ended 31 December 2020 to be RMB1.97 billion; and (ii) the net profit attributable to the Shareholders and other holders of interests for the year ended 31 December 2021 would increase RMB3.7 billion to RMB4.7 billion, or approximately 171% to 218%, as compared with the corresponding figure (as restated) for the year ended 31 December 2020; and the net profit attributable to the Shareholders and other holders of interests after deduction of non-recurring profit or loss for the year ended 31 December 2021 would increase RMB2.0 billion to RMB3.0 billion, or approximately 104% to 155%, as compared with the corresponding figure (as restated) for the year ended 31 December 2020.

The Board considers that the expected substantial increase in the net profit attributable to the Shareholders and other holders of interests and the net profit attributable to the Shareholders and other holders of interests after deduction of non-recurring profit or loss for the year ended 31 December 2021 is mainly due to the following reasons:

- (i) during the Reporting Period, benefiting from the sound control of the COVID-19 pandemic in the PRC, the foreign trade situation was comparatively well and the market demand for containers increased rapidly, the container manufacturing sector increased in terms of both transaction volume and unit price, the container leasing market increased accordingly, the vessel leasing business of the Company increased while maintaining stability, each business sector advanced together; and

- (ii) during the Reporting Period, due to (a) the net profit or loss for the current period from the beginning of the Reporting Period to the date of business combination as a result of the business combination of a subsidiary pursuant to the completion of the Proposed Acquisition; and (b) the completion of the equity transfer and introduction of strategic investors pursuant to the Equity Transfer Agreement of COSCO SHIPPING Leasing Co., Ltd.# (中遠海運租賃有限公司), a then wholly-owned subsidiary of the Company, the total impact of these two transactions on the non-recurring profit or loss was approximately RMB1.8 billion.

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Shareholders and potential investors of the Company should exercise caution when dealing in the securities 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
28 January 2022

As at the date of this announcement, the Board comprises Mr. Wang Daxiong, Mr. Liu Chong and Mr. Xu Hui, being executive Directors, Mr. Huang Jian, Mr. Liang Yanfeng and Mr. Ip Sing Chi, being non-executive Directors and Mr. Cai Hongping, Mr. Lu Jianzhong, Ms. Zhang Weihua and Mr. Shao Ruiqing, being independent non-executive Directors.

* *The Company is a registered non-Hong Kong company as defined under 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."*

For identification purposes only.