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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 THIRD QUARTERLY REPORT

In accordance with the applicable rules of the Shanghai Stock Exchange of the People's Republic of China (the "PRC") (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 2020 (the "Reporting Period") will be published on the Shanghai Stock Exchange on 30 October 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 Third Quarterly Report of the Company has not been audited.

2. COMPANY PROFILE

2.1 Principal financial data

	<i>Unit: Yuan Currency: RMB</i>		
	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 (%)
Total assets	146,623,833,850.27	144,494,117,837.27	1.47
Net assets attributable to shareholders and other equity holders of the listed company	25,110,987,519.90	24,207,718,480.05	3.73
	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of the previous year to the end of the reporting period of previous year (January to September)	Increase/decrease as compared with the corresponding period of last year (%)
Net cash flow from operating activities	5,663,199,854.51	4,331,729,731.43	30.74
	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of the previous year to the end of the reporting period of previous year (January to September)	Increase/decrease as compared with the corresponding period of last year (%)
Revenue	12,707,801,728.00	10,182,931,484.27	24.80
Net profit attributable to shareholders and other equity holders of the listed company	1,672,036,317.11	1,291,108,810.51	29.50
Net profit attributable to shareholders and other equity holders of the listed company, excluding extraordinary gains or losses	1,614,740,671.27	1,151,606,639.35	40.22
Weighted average return on net assets (%)	8.0300	6.0600	Increased by 1.97 percentage points
Basic earnings per share (RMB per share)	0.1228	0.1114	10.23
Diluted earnings per share (RMB per share)	0.1228	0.1114	10.23

Items and amounts of extraordinary gains or losses

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)
Gain/loss from disposal of non-current assets	-7,894,712.14	22,576,256.70
Government grants recognized in the gains or losses 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)	36,954,794.63	61,884,755.27
Other non-operating income/expenses excluding the items above	862,424.79	-8,066,817.52
Income tax effect	-9,316,723.54	-19,098,548.61
Total	<u>20,605,783.74</u>	<u>57,295,645.84</u>

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) 316,416

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		Nature of shareholders
				Status of shares	Number	
China Shipping Group Company Limited	4,410,624,386	38.00%	4,410,624,386	Nil	0	State-owned corporation
HKSCC NOMINEES LIMITED	3,655,317,075	31.49%	3,655,317,075	Unknown	–	Foreign corporation
State Development & Investment Co., Ltd	247,909,807	2.14%	247,909,807	Nil	0	State-owned corporation
China Securities Finance Corporation Limited	210,853,717	1.82%	210,853,717	Nil	0	State-owned corporation
Hong Kong Securities Clearing Company Ltd.	90,210,282	0.78%	90,210,282	Nil	0	Other
A securities account of COSCO Shipping Development Co., Ltd. designated for repurchase	79,627,003	0.69%	79,627,003	Nil	0	State-owned corporation
Central Huijin Asset Management Ltd.	65,454,300	0.56%	65,454,300	Nil	0	State-owned corporation
Aegon Industrial Fund – Bank of Shanghai – China Shipping (Group) Company	33,399,288	0.29%	33,399,288	Nil	0	Other
Agricultural Bank of China Limited – CSI 500 Exchange Traded Fund	20,024,472	0.17%	20,024,472	Nil	0	Other
Guo Lei	17,655,777	0.15%	17,655,777	Nil	0	Domestic natural person

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

Name of shareholders	Number of tradable 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	3,655,317,075	Overseas listed foreign shares	3,655,317,075
State Development & Investment Co., Ltd	247,909,807	RMB ordinary shares	247,909,807
China Securities Finance Corporation Limited	210,853,717	RMB ordinary shares	210,853,717
Hong Kong Securities Clearing Company Ltd.	90,210,282	RMB ordinary shares	90,210,282
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
Aegon Industrial Fund – Bank of Shanghai – China Shipping (Group) Company	33,399,288	RMB ordinary shares	33,399,288
Agricultural Bank of China Limited – CSI 500 Exchange Traded Fund	20,024,472	RMB ordinary shares	20,024,472
Guo Lei	17,655,777	RMB ordinary shares	17,655,777

- 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 the trading financial assets by RMB158,338,000 or 32.25% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increased investment in asset management plans for the Reporting Period.
- 2 · The increase in bills receivable by RMB264,827,300 or 3,448.27% 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 for the Reporting Period.
- 3 · The increase in accounts receivable by RMB1,174,322,900 or 115.26% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the year-on-year increase in the undue sales receivables of containers at the end of the Reporting Period.
- 4 · The increase in prepayments by RMB363,780,200 or 158.42% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the year-on-year increase in prepayment of raw materials for manufacturing containers for the Reporting Period.
- 5 · The increase in reinsurance accounts receivable by RMB17,099,900 or 229.43% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in the undue insurance premium at the end of the Reporting Period.
- 6 · The decrease in other receivables by RMB214,481,500 or 63.99% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the collection of payments for equity and debt transfer and deposits for the Reporting Period.
- 7 · The increase in inventories by RMB332,915,600 or 37.78% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the corresponding increase in the inventory of raw materials as a result of an increase in orders as at the end of the Reporting Period as compared with the beginning of the Reporting Period.
- 8 · The increase in other debt investments by RMB59,820,000 or 100% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in subordinated asset-backed securities held for the Reporting Period.
- 9 · The increase in other non-current assets by RMB177,136,300 or 5,975.41% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increased asset-backed securities for the Reporting Period.

10. The increases in bills payable by RMB356,350,400 or 38.47% at the end of the Reporting Period as compared with the beginning of the Reporting Period were mainly due to an increase in bills issued for the Reporting Period.
11. The increase in accounts payable by RMB763,746,800 or 30.17% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in payables for purchase of materials and charter fees payable for the Reporting Period.
12. The increase in reinsurance accounts payable by RMB39,322,000 or 174.61% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increase in the undue insurance premium at the end of the Reporting Period.
13. The increase in other current liabilities by RMB6,000,000,000 or 100% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the additional issuance of super short-term commercial papers for the Reporting Period.
14. The decrease in lease liabilities by RMB83,822,200 or 56.39% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to payment of rents for right-of-use assets for the Reporting Period, which was reclassified to non-current liabilities due within one year as at the end of the Reporting Period.
15. The year-on-year increase in other non-current liabilities by RMB189,446,200 or 1,574.01% at the end of the Reporting Period as compared with the beginning of the Reporting Period was mainly due to the increased asset-backed securities for the Reporting Period.
16. The year-on-year decrease in selling expenses by RMB4,821,300 or 45.96% for the Reporting Period was mainly due to the year-on-year decrease in storage and custody fees for the Reporting Period.
17. The year-on-year increase in asset impairment loss by RMB92,151,600 or 114.14% for the Reporting Period was mainly due to the reversal of the increase in the sales price of containers back to the provision for inventory depreciation made in the previous period for the Reporting Period.
18. The year-on-year decrease in gains from changes in fair value by RMB647,761,000 or 151.27% for the Reporting Period was mainly due to the year-on-year decrease of gains from changes in fair value of financial assets held by the company for the Reporting Period.
19. The year-on-year decrease in gains from disposal of assets by RMB63,540,400 or 74.08% for the Reporting Period was mainly due to the year-on-year decrease in gains from disposal of fixed assets by the company for the Reporting Period.
20. The year-on-year increase in non-operating expenses by RMB3,855,700 or 61.42% for the Reporting Period was mainly due to the year-on-year increase in charitable donations for the Reporting Period.

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

Applicable Not Applicable

The Company convened the 23rd meeting of the sixth session of board of directors on 12 October and convened the second extraordinary general meeting of 2020 on 29 October, to review and approve the relevant resolution on the transfer of shares of CIMC by COSCO SHIPPING Development.

COSCO Container Industries Limited, an indirect wholly-owned subsidiary of COSCO SHIPPING Development, sold 350,000,000 A shares and 264,624,090 H shares of CIMC held by it to Shenzhen Capital Operation Group Co. Ltd. and Shenzhen Capital (Hong Kong) Container Investments Co., Ltd. through transfer by agreement, respectively; at the same time, Long Honour Investments Limited, an indirect wholly-owned subsidiary of COSCO SHIPPING Development, sold 30,386,527 H shares of CIMC held by it to Shenzhen Capital (Hong Kong) Container Investments Co., Ltd. through transfer by agreement. The above-mentioned shares to be transferred total 645,010,617 shares, representing approximately 17.94% of the total share capital of CIMC.

For details, please refer to the relevant temporary announcement disclosed by the Company on 13 October.

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 30 September 2020

Prepared by: COSCO SHIPPING Development Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	30 September 2020	31 December 2019
Current assets:		
Cash	8,726,761,003.65	10,156,318,265.16
Deposit reservation for balance		
Placements with banks and other financial institutions		
Trading financial assets	649,304,859.89	490,966,828.33
Derivative financial assets		
Bills receivable	272,507,300.00	16,700,690.01
Accounts receivable	2,193,192,715.32	1,086,846,110.75
Receivables financing		
Funds paid in advance	593,413,183.48	229,632,984.01
Premiums receivable		
Reinsurance accounts receivable	24,553,033.29	7,453,139.84
Deposits receivable from reinsurance contracts		
Other receivables	120,683,601.10	335,165,149.03
Including: Interests receivable	2,508,574.43	3,620,822.08
Dividends receivable		1,520,350.06
Purchases of resold financial assets		
Inventories	1,214,045,077.48	881,129,437.17
Contract assets		
Assets held for sale		
Non-current assets due within one year	17,901,459,749.10	16,553,534,222.73
Other current assets	33,777,202.25	42,037,894.30
Total current assets	31,729,697,725.56	29,799,784,721.33

Item	30 September 2020	31 December 2019
Non-current assets:		
Loans and advances granted		
Debt investments		
Other debt investments	59,820,000.00	
Long-term receivables	27,319,906,379.46	27,051,677,344.51
Long-term equity investments	27,371,993,727.28	25,854,213,940.22
Other equity instrument investments		
Other non-current financial assets	3,908,037,141.24	4,266,307,368.85
Investment property	103,034,187.44	105,547,216.40
Fixed assets	55,293,366,132.05	56,749,893,917.40
Construction in progress	63,699,078.69	52,433,795.02
Biological assets for production		
Fuel assets		
Right-of-use assets	127,310,870.50	163,824,621.16
Intangible assets	141,554,167.80	137,968,923.80
Development expenditure		
Goodwill		
Long-term deferred expenses	65,191,920.65	65,850,332.59
Deferred income tax assets	260,121,819.60	243,651,234.65
Other non-current assets	180,100,700.00	2,964,421.34
Total non-current assets	114,894,136,124.71	114,694,333,115.94
Total assets	146,623,833,850.27	144,494,117,837.27

Item	30 September 2020	31 December 2019
Current liabilities:		
Short-term borrowings	14,910,740,891.75	16,313,598,897.60
Borrowings from central bank		
Placements funds		
Trading financial liabilities		
Derivative financial liabilities		
Bills payable	1,282,590,950.00	926,240,520.00
Accounts payable	3,294,926,705.42	2,531,179,876.31
Funds received in advance	101,678,751.82	169,957,081.65
Contract liabilities	134,601,343.18	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	190,722,377.99	226,579,228.11
Taxes payable	218,221,683.96	209,093,839.61
Other payables	1,535,491,044.91	1,390,270,809.25
Including: Interests payable	421,362,376.39	408,710,217.19
Dividends payable	277,967,823.50	231,443,333.33
Handling charges and commissions payable		
Reinsurance accounts payable	61,842,076.60	22,520,027.50
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	28,958,924,382.04	32,328,476,114.65
Other current liabilities	6,000,000,000.00	
Total current liabilities	56,689,740,207.67	54,268,110,707.05

Item	30 September 2020	31 December 2019
Non-current liabilities:		
Deposits for insurance contracts		
Long-term borrowings	53,398,512,342.96	54,853,208,883.56
Bonds payable	8,172,363,215.33	8,271,399,591.01
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	64,826,169.46	148,648,326.45
Long-term payables	2,601,289,242.81	2,352,044,869.48
Long-term staff remuneration payable	16,966,101.50	18,491,589.50
Projected liabilities		
Deferred income	10,321,273.26	11,484,209.25
Deferred income tax liabilities	357,345,692.62	350,975,260.05
Other non-current liabilities	201,482,084.76	12,035,920.87
Total non-current liabilities	64,823,106,122.70	66,018,288,650.17
Total liabilities	121,512,846,330.37	120,286,399,357.22
Owners' equity (or shareholders' equity):		
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	156,456,097.64	332,017,874.77
Less: Treasury shares	233,428,071.84	233,428,071.84
Other comprehensive income	-2,400,354,130.34	-2,638,034,334.93
Special reserve	1,885,044.72	1,606,117.35
Surplus reserve	1,552,192,349.37	1,552,192,349.37
General risk provision		
Retained earnings	7,426,111,230.35	6,585,239,545.33
Total equity attributable to the owner of the parent company (or shareholders' equity)	25,110,987,519.90	24,207,718,480.05
Minority interests		
Total owners' equity (or shareholders' equity)	25,110,987,519.90	24,207,718,480.05
Total liabilities and owners' equity (or shareholders' equity)	146,623,833,850.27	144,494,117,837.27

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
30 September 2020

Prepared by: COSCO SHIPPING Development Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	30 September 2020	31 December 2019
Current assets:		
Cash	2,816,063,429.33	2,855,428,469.26
Trading financial assets		
Derivative financial assets		
Bills receivable		
Accounts receivable	451,951,472.20	460,027,497.98
Receivables financing		
Funds paid in advance	530,927.50	2,915,268.39
Other receivables	2,384,912,978.33	2,370,070,980.51
Including: Interests receivable	34,466,121.01	25,957,989.38
Dividends receivable	1,876,803,082.22	2,080,000,272.07
Inventories	387,375,868.74	330,259,640.21
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	2,600,000,000.00	2,909,286,000.00
Total current assets	8,640,834,676.10	8,927,987,856.35

Item	30 September 2020	31 December 2019
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	39,584,060,156.98	38,804,676,762.28
Other equity instrument investments		
Other non-current financial assets	2,344,102,927.69	2,738,058,298.30
Investment property		
Fixed assets	11,210,281,915.46	11,805,888,407.67
Construction in progress	3,073,032.09	3,361,428.31
Biological assets for production		
Fuel assets		
Right-of-use assets	43,478,729.15	55,707,121.67
Intangible assets	3,216,005.71	1,893,845.99
Development expenditure		
Goodwill		
Long-term deferred expenses	250,724.14	574,767.94
Deferred income tax assets		
Other non-current assets	3,417,585,500.00	3,092,860,000.00
Total non-current assets	56,606,048,991.22	56,503,020,632.16
Total assets	65,246,883,667.32	65,431,008,488.51

Item	30 September 2020	31 December 2019
Current liabilities:		
Short-term borrowings	4,300,000,000.00	4,700,000,000.00
Trading financial liabilities		
Derivative financial liabilities		
Bills payable		
Accounts payable	351,051,002.23	270,473,405.10
Funds received in advance	758,000.00	881,726.00
Contract liabilities		
Staff remuneration payable	53,674,927.04	91,238,261.19
Taxes payable	27,454,201.13	16,834,791.45
Other payables	7,682,003,548.32	8,265,816,203.64
Including: Interests payable	137,353,180.83	111,482,931.51
Dividends payable	277,967,823.50	231,443,333.33
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	1,891,443,156.31	4,983,905,940.56
Other current liabilities	6,000,000,000.00	
Total current liabilities	20,306,384,835.03	18,329,150,327.94
Non-current liabilities:		
Long-term borrowings	3,150,000,000.00	4,833,600,000.00
Bonds payable	5,000,000,000.00	5,000,000,000.00
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	21,159,951.14	31,222,681.91
Long-term payables		
Long-term staff remuneration payable	15,999,961.50	17,525,449.50
Projected liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	8,187,159,912.64	9,882,348,131.41
Total liabilities	28,493,544,747.67	28,211,498,459.35

Item	30 September 2020	31 December 2019
Owners' equity (or shareholders' equity):		
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	16,364,932,854.23	16,360,730,879.30
Less: Treasury shares	233,428,071.84	233,428,071.84
Other comprehensive income	7,682,530.76	3,968,928.16
Special reserve		
Surplus reserve	1,545,882,206.78	1,545,882,206.78
Retained earnings	460,144,399.72	934,231,086.76
Total owners' equity (or shareholders' equity)	36,753,338,919.65	37,219,510,029.16
Total liabilities and owners' equity (or shareholders' equity)	65,246,883,667.32	65,431,008,488.51
Legal representative: Wang Daxiong	Person-in-charge of accounting affairs: Lin Feng	Head of the accounting department: Zhang Mingming

Consolidated Income Statement
January to September 2020

Prepared by: COSCO SHIPPING Development Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Total operating revenue	4,905,447,224.74	3,345,320,226.24	12,746,602,135.73	10,212,837,046.15
Including: Revenue from operations	4,891,070,712.43	3,335,387,457.52	12,707,801,728.00	10,182,931,484.27
Interest income				
Premiums earned				
Handling charges and commission income	14,376,512.31	9,932,768.72	38,800,407.73	29,905,561.88
II. Total cost of sales	4,483,085,123.79	3,271,055,631.82	11,966,325,813.22	10,739,309,264.12
Including: Operating cost	3,795,278,160.92	2,380,447,796.48	9,649,345,752.92	7,723,279,528.34
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	15,713,117.13	14,037,169.01	42,084,416.86	52,161,034.62
Selling expenses	2,268,828.68	4,867,084.40	5,669,813.22	10,491,072.94
Administrative expenses	184,510,606.22	236,976,425.51	637,196,534.19	659,360,349.87
Research and development expenses	2,441.81	32,634.97	2,441.81	88,306.38
Finance costs	485,311,969.03	634,694,521.45	1,632,026,854.22	2,293,928,971.97
Including: Interest expenses	434,627,924.34	753,052,778.10	1,637,034,915.98	2,465,493,146.94
Interest income	42,228,229.77	61,954,090.38	120,297,229.14	156,161,669.22
Add: Other gains	36,954,794.63	56,922,843.83	61,884,755.27	81,990,788.97
Investment income				
(loss is represented by "-")	517,738,345.84	334,541,557.40	1,578,878,821.00	1,678,145,792.96
Including: Gains from investment in				
associates and joint ventures	339,142,348.55	286,616,122.02	1,362,645,596.49	1,628,552,590.69
Derecognition gains on financial assets				
measured at amortized cost	-5,449,120.65		12,007,344.55	
Gains from foreign currency exchange				
(loss is represented by "-")				
Gains from net exposure to hedging				
(loss is represented by "-")				
Gains from changes in fair value				
(loss is represented by "-")	-33,028,777.84	-70,935,514.80	-220,820,848.86	426,940,160.46
Credit impairment loss				
(loss is represented by "-")	-6,944,209.07	-19,964,911.91	-333,581,122.78	-261,812,055.84
Asset impairments loss				
(loss is represented by "-")			11,419,393.99	-80,732,182.50
Gains from disposal of assets				
(loss is represented by "-")	2,310,660.01	40,183,477.18	22,576,256.70	87,106,680.56

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
III. Profit from operations (loss is represented by “-”)	939,392,914.52	415,012,046.12	1,900,633,577.83	1,405,166,966.64
Add: Non-operating income	880,508.46	633,966.19	2,066,948.92	3,155,606.67
Less: Non-operating expenses	18,083.67	-121,104.55	10,133,766.44	6,278,054.25
IV. Total profit (total loss is represented by “-”)	940,255,339.31	415,767,116.86	1,892,566,760.31	1,402,044,519.06
Less: Income tax expenses	121,534,693.62	28,130,313.87	220,530,443.20	110,935,708.55
V. Net profit (net loss is represented by “-”)	818,720,645.69	387,636,802.99	1,672,036,317.11	1,291,108,810.51
(I) Classified by continuity of operation				
1. Net profit from continuing operations (net loss expressed with “-”)	818,720,645.69	387,636,802.99	1,672,036,317.11	1,291,108,810.51
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 “-”)	818,720,645.69	387,636,802.99	1,672,036,317.11	1,291,108,810.51
2. Minority interests (net loss expressed with “-”)				
VI. Net other comprehensive income after taxes	457,486,455.53	-116,895,676.00	237,680,204.59	-24,807,095.12
(I) Net other comprehensive income attributable to owners of the parent company after taxes	457,486,455.53	-116,895,676.00	237,680,204.59	-24,807,095.12
1. Items that may not be reclassified to profit or loss	30,151,293.32	-46,566.26	-9,536,593.16	39,709,638.55
(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	30,151,293.32	-46,566.26	-9,536,593.16	39,709,638.55
(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	427,335,162.21	-116,849,109.74	247,216,797.75	-64,516,733.67
(1) Other comprehensive income that may be reclassified to profit or loss under the equity method	-28,750,897.25	91,606,543.23	-26,275,813.61	200,769,256.93
(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	2,684,817.64	-1,706,275.45	-15,807,957.36	-28,769,590.93
(6) Exchange differences from translation of financial statements	453,401,241.82	-206,749,377.52	289,300,568.72	-236,516,399.67
(7) Others				
(II) Net other comprehensive income attributable to minority interests after taxes				

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
VII. Total comprehensive income	1,276,207,101.22	270,741,126.99	1,909,716,521.70	1,266,301,715.39
(I) Total comprehensive income attributable to owners of the parent company	1,276,207,101.22	270,741,126.99	1,909,716,521.70	1,266,301,715.39
(II) Total comprehensive income attributable to minority shareholders				
VIII. Earnings per share:				
(I) Basic earnings per share (RMB per share)	0.0635	0.0334	0.1228	0.1114
(II) Diluted earnings per share (RMB per share)	0.0635	0.0334	0.1228	0.1114

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 September 2020

Prepared by: COSCO SHIPPING Development Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Revenue from operations	532,670,550.23	579,001,377.98	1,535,647,405.21	1,691,461,427.42
Less: Operating cost	473,589,811.65	409,437,073.67	1,336,744,354.85	1,253,419,096.14
Taxes and surcharges	7,857,082.27	7,169,820.34	17,499,317.18	17,142,814.14
Selling expenses				
Administrative expenses	33,544,155.77	43,788,074.68	98,618,906.88	107,858,216.50
Research and development expenses				
Finance costs	159,181,829.63	201,803,262.30	515,008,907.57	722,484,753.14
Including: Interest expenses	156,114,425.87	209,857,869.61	514,611,870.54	735,202,338.78
Interest income	16,865,859.71	16,479,343.57	50,911,659.20	46,157,750.31
Add: Other gains	106,808.93	50,083,085.00	3,598,775.87	50,083,085.00
Investment income (loss is represented by "-")	127,905,702.32	89,662,740.66	1,047,514,209.52	168,603,333.04
Including: Gains from investment in associates and joint ventures	-3,749,492.07	41,734,508.80	103,484,439.77	119,241,601.18
Derecognition gains on financial assets measured at amortized cost				
Gains from net exposure to hedging (loss is represented by "-")				
Gains from changes in fair value (loss is represented by "-")	-35,850,647.38	-67,541,972.49	-264,933,736.96	486,064,460.55
Credit impairment loss (loss is represented by "-")	772,902.90	893,768.24	3,122,659.75	
Asset impairments loss (loss is represented by "-")				
Gains from disposal of assets (loss is represented by "-")				
II. Profit from operations (loss is represented by "-")	-48,567,562.32	-10,099,231.60	357,077,826.91	295,307,426.09
Add: Non-operating income	6,494.22		6,494.22	
Less: Non-operating expenses	6,376.08		6,376.08	
III. Total profit (total loss is represented by "-")	-48,567,444.18	-10,099,231.60	357,077,945.05	295,307,426.09
Less: Income tax expenses				
IV. Net profit (net loss is represented by "-")	-48,567,444.18	-10,099,231.60	357,077,945.05	295,307,426.09
(I) Net profit from continuing operations (net loss expressed with "-")	-48,567,444.18	-10,099,231.60	357,077,945.05	295,307,426.09
(II) Net profit from discontinued operations (net loss expressed with "-")				

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
V. Net other comprehensive income after taxes	755,661.87	5,908,799.67	3,713,602.60	5,717,311.89
(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	755,661.87	5,908,799.67	3,713,602.60	5,717,311.89
1. Other comprehensive income that may be reclassified to profit or loss under the equity method	755,661.87	5,908,799.67	3,713,602.60	5,717,311.89
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				
VI. Total comprehensive income	-47,811,782.31	-4,190,431.93	360,791,547.65	301,024,737.98
VII. Earnings per share:				
(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 September 2020

Prepared by: COSCO SHIPPING Development Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	12,886,205,410.30	10,989,458,613.32
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	179,233,023.85	328,617,255.05
Other cash received from activities relating to operation	337,663,235.97	605,627,490.03
Sub-total of cash inflow from operating activities	13,403,101,670.12	11,923,703,358.40
Cash paid for goods purchased and services rendered	5,445,861,678.93	5,437,531,301.53
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	1,229,546,116.37	1,010,524,985.26
Taxes paid	436,368,678.40	475,656,389.94
Other cash paid for activities relating to operating activities	628,125,341.91	668,260,950.24
Sub-total of cash outflow from operating activities	7,739,901,815.61	7,591,973,626.97
Net cash flows from operating activities	5,663,199,854.51	4,331,729,731.43

Item	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
II. Cash flow from investment activities:		
Cash received from disposal of investments	16,032,241,290.69	10,198,251,963.02
Cash received from gains in investments	416,608,874.26	930,987,209.18
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	159,319,895.32	179,172,216.62
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investment activities	247,668,691.03	155,752,230.86
Sub-total of cash inflow from investment activities	16,855,838,751.30	11,464,163,619.68
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	20,153,572,489.82	16,229,911,296.69
Cash paid for investment	2,068,288,000.00	694,965,924.45
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid relating to investment activities		
Sub-total of cash outflow from investment activities	22,221,860,489.82	16,924,877,221.14
Net cash flow from investment activities	-5,366,021,738.52	-5,460,713,601.46
III. Cash flow from financing activities:		
Proceeds received from investments		5,000,000,000.00
Including: Proceeds received by subsidiaries from minority shareholder's investment		
Cash received from borrowings	51,808,998,478.12	50,242,727,352.40
Other cash received relating to financing activities	57,146,333.56	199,956,633.83
Sub-total of cash inflow from financing activities	51,866,144,811.68	55,442,683,986.23
Cash paid for repayment of debts	49,484,236,615.95	51,707,906,950.10
Cash payments for dividend and profit distribution or interest repayment	3,588,219,194.23	3,650,047,512.77
Including: Dividend and profit paid by subsidiary to minority shareholders		
Other cash paid relating to financing activities	395,505,844.33	1,234,908,802.10
Sub-total of cash outflow from financing activities	53,467,961,654.51	56,592,863,264.97
Net cash flow from financing activities	-1,601,816,842.83	-1,150,179,278.74
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates	-20,157,435.87	248,664,959.05
V. Net increase in cash and cash equivalents	-1,324,796,162.71	-2,030,498,189.72
Add: Balance of cash and cash equivalents at the beginning of the period	9,635,095,552.61	15,249,193,722.11
VI. Balance of cash and cash equivalents at the end of the period	8,310,299,389.90	13,218,695,532.39

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 September 2020

Prepared by: COSCO SHIPPING Development Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	1,653,039,656.16	1,503,450,001.33
Receipt of tax rebates		
Other cash received from activities relating to operation	1,425,393,226.91	4,097,190,006.97
Sub-total of cash inflow from operating activities	3,078,432,883.07	5,600,640,008.30
Cash paid for goods purchased and services rendered	330,038,296.31	237,330,981.76
Cash paid to and on behalf of employees	497,670,126.28	431,208,281.97
Taxes paid	118,970,147.33	136,581,594.28
Other cash paid for activities relating to operation	1,276,609,835.73	658,949,797.49
Sub-total of cash outflow from operating activities	2,223,288,405.65	1,464,070,655.50
Net cash flows from operating activities	855,144,477.42	4,136,569,352.80
II. Cash flow from investment activities:		
Cash received from disposal of investments	817,121,884.83	20,866,225.00
Cash received from gains in investments	1,114,985,817.78	2,113,182,558.78
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	6,371.68	
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investment activities		
Sub-total of cash inflow from investment activities	1,932,114,074.29	2,134,048,783.78
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	1,620,964.28	1,034,905.67
Cash paid for investment	2,328,288,000.00	2,017,000,000.00
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid relating to investment activities		
Sub-total of cash outflow from investment activities	2,329,908,964.28	2,018,034,905.67
Net cash flow from investment activities	-397,794,889.99	116,013,878.11

Item	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
III. Cash flow from financing activities:		
Cash received from investments		5,000,000,000.00
Cash received from borrowings	18,080,000,000.00	17,700,000,000.00
Other cash received relating to financing activities	19,289,839.04	199,956,633.83
Sub-total of cash inflow from financing activities	18,099,289,839.04	22,899,956,633.83
Cash paid for repayment of debts	17,256,500,000.00	25,428,400,000.00
Cash payments for dividend and profit distribution or interest repayment	1,275,298,768.50	842,076,585.99
Other cash paid relating to financing activities	38,674,475.30	364,090,392.41
Sub-total of cash outflow from financing activities	18,570,473,243.80	26,634,566,978.40
Net cash flow from financing activities	-471,183,404.76	-3,734,610,344.57
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates	-6,241,383.56	6,304,994.39
V. Net increase in cash and cash equivalents	-20,075,200.89	524,277,880.73
Add: Balance of cash and cash equivalents at the beginning of the period	2,835,921,205.78	4,739,115,326.10
VI. Balance of cash and cash equivalents at the end of the period	2,815,846,004.89	5,263,393,206.83

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 PRC
30 October 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. Huang Jian, Mr. Liang Yanfeng and Mr. Ip Sing Chi, 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."*