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中遠海運控股股份有限公司
COSCO SHIPPING Holdings Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1919)

FIRST QUARTERLY REPORT FOR 2017

Pursuant to the regulations of the China Securities Regulatory Commission, COSCO SHIPPING Holdings Co. Ltd. (the “**Company**” or “**COSCO SHIPPING Holdings**”, together with its subsidiaries, the “**Group**”) is required to publish a quarterly report for each of the first and third quarters of a financial year.

The financial information set out in this quarterly report for the three months ended 31 March 2017 (the “**Reporting Period**”) is unaudited and prepared in accordance with the China Accounting Standards.

This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B 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).

I. IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”), supervisory committee, each of the directors, supervisors and senior management members of the Company confirm that there are no misrepresentation or misleading statements contained in or material omissions from this report, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents of this quarterly report.
- 1.2 All directors of the Company attended the meeting of the Board to consider and approve this quarterly report.
- 1.3 Wan Min (Chairman of the Board and person in charge of the Company), Xu Zunwu (executive director and general manager), Deng Huangjun (the person in charge of accounting) and Xu Hongwei (the head of the accounting department and accounting supervisor), hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.
- 1.4 The first quarterly report of the Company has not been audited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Major Financial Data

Unit: Yuan Currency: Renminbi (“RMB”)

	As at the end of the Reporting Period	As at the end of last year		Increase/decrease at the end of the Reporting Period as compared to the end of last year (%)
		After adjustment	Before adjustment	
Total assets	120,574,299,123.31	119,652,733,482.28	119,652,733,482.28	0.77
Net assets attributable to equity holders of the listed Company	18,791,801,478.93	18,323,295,777.80	18,323,295,777.80	2.56
	Beginning of the year to the end of the Reporting Period	Beginning of last year to the end of the reporting period of last year		Increase/decrease over the corresponding period of last year (%)
		After adjustment	Before adjustment	
Net cash flow from operating activities	-643,866,567.07	-517,844,662.96	-577,564,062.22	—
	Beginning of the year to the end of the Reporting Period	Beginning of last year to the end of the reporting period of last year		Increase/decrease over the corresponding period of last year (%)
		After adjustment	Before adjustment	
Operating revenue	20,101,447,987.02	13,568,615,814.49	14,608,801,823.13	48.14
Net profit attributable to equity holders of the listed Company	270,140,451.23	-4,460,323,575.19	-4,483,790,086.13	—
Net profit attributable to equity holders of the listed Company, net of non-recurring profit and loss (Net loss denoted with “-”)	90,920,120.98	-2,143,780,233.00	-2,143,780,233.00	—
Weighted average return on net assets (%)	1.46	-17.14	-17.14	Increase of 18.60 percentage points
Basic earnings per share (RMB/share) (Loss denoted with “-”)	0.03	-0.44	-0.44	—
Diluted earnings per share (RMB/share) (Loss denoted with “-”)	0.03	-0.44	-0.44	—

Non-recurring profit and loss items and amounts:

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period
Gains and losses on disposal of non-current assets	1,106,818.53
Government subsidies recorded in the profit and loss account for the current period (exclusive of government subsidies which are closely related to normal operating business of the Company and are entitled continuously pursuant to unified standard quota or amount under the State government policy)	218,155,993.10
Other non-operating income and expenses excluding the items above	-6,787,533.08
Effect of minority shareholders' interests (after tax)	-825,924.57
Effect of income tax	-32,429,023.73
Total	179,220,330.25

2.2 Total number of shareholders and shareholdings of the ten largest shareholders and the ten largest holders of tradable shares (or shareholders not subject to selling restrictions) as at the end of the Reporting Period

Unit: Share(s)

Total number of shareholders 345,379

Shareholdings of the Ten Largest Shareholders

Name of shareholder (full name)	Number of shares held as at the end of the Reporting Period	Type	Percentage (%)	Number of shares held subject to selling restrictions	Status of shares	Pledged or frozen Number	Nature of shareholder
China Ocean Shipping (Group) Company <i>(Note)</i>	4,557,594,644	RMB ordinary shares	44.61	0	Nil	0	State-owned legal person
HKSCC Nominees Limited <i>(Note)</i>	2,580,600,000	Overseas listed foreign shares	25.26	0	Unknown	0	Foreign legal person
Beijing Chengtong Financial Investment Co., Ltd.	306,488,200	RMB ordinary shares	3.00	0	Nil	0	State-owned legal person
Wuhan Iron and Steel (Group) Corporation	250,000,000	RMB ordinary shares	2.45	0	Nil	0	State-owned legal person
China State Shipbuilding Corporation	204,000,000	RMB ordinary shares	2.00	0	Nil	0	State-owned legal person
China Securities Finance Corporation Limited	169,373,479	RMB ordinary shares	1.66	0	Nil	0	State-owned legal person
China National Nuclear Corporation	72,000,000	RMB ordinary shares	0.7	0	Nil	0	State-owned legal person
China Huijin Investment Ltd.	54,466,500	RMB ordinary shares	0.53	0	Nil	0	State-owned legal person
Taiping Life Insurance Company Limited - dividend - group dividend	33,620,868	RMB ordinary shares	0.33	0	Nil	0	Other
National Social Security Fund 111	33,112,991	RMB ordinary shares	0.32	0	Nil	0	State-owned legal person

Shareholdings of the Ten Largest Shareholders not subject to Selling Restrictions

Name of shareholder	Number of outstanding tradable shares held not subject to selling restrictions	Type and number of shares	
		Type	Number
China Ocean Shipping (Group) Company (<i>Note</i>)	4,557,594,644	RMB ordinary shares	4,557,594,644
HKSCC Nominees Limited (<i>Note</i>)	2,580,600,000	Overseas listed foreign shares	2,580,600,000
Beijing Chengtong Financial Investment Co., Ltd.	306,488,200	RMB ordinary shares	306,488,200
Wuhan Iron and Steel (Group) Corporation	250,000,000	RMB ordinary shares	250,000,000
China State Shipbuilding Corporation	204,000,000	RMB ordinary shares	204,000,000
China Securities Finance Corporation Limited	169,373,479	RMB ordinary shares	169,373,479
China National Nuclear Corporation	72,000,000	RMB ordinary shares	72,000,000
China Huijin Investment Ltd.	54,466,500	RMB ordinary shares	54,466,500
Taiping Life Insurance Company Limited - dividend - group dividend	33,620,868	RMB ordinary shares	33,620,868
National Social Security Fund 111	33,112,991	RMB ordinary shares	33,112,991
Details of the related party relationship amongst, or concerted actions between, the above shareholders	Unknown		
Details of preference shareholders with voting rights restored and number of shares held thereby	N/A		

Note: As at the end of the Reporting Period, China Ocean Shipping (Group) Company (“COSCO”) held 87,635,000 H shares through its subsidiaries, representing 3.40% of the issued H shares of the Company, which was included in the total number of shares held by HKSCC Nominees Limited. COSCO holds, together with its subsidiaries, a total of 45.47% of the entire issued share capital of the Company.

2.3 Total number of holders of preference shares and shareholdings of the ten largest holders of preference shares and the ten largest holders of preference shares not subject to selling restrictions as at the end of the Reporting Period

Applicable Not applicable

III. SIGNIFICANT EVENTS

3.1 Details of and reasons for material changes in the major financial statement items and financial indicators of the Company

Applicable Not applicable

Balance sheet items:

(1) *Assets classified as held for sale*

As at the end of March 2017, the balance of assets classified as held for sale of the Group amounted to RMB1.316 billion. Shanghai China Shipping Terminal Development Co., Ltd. (“SCSTD”), a subsidiary of COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports”), which is in turn a subsidiary of the Company, and Qingdao Port International Co., Ltd. (“QPI”) entered into an agreement on 20 January 2017, pursuant to which COSCO SHIPPING Ports conditionally agreed to subscribe for 1,015,520,000 non-circulating domestic shares of QPI for a total consideration of approximately RMB5.799 billion (i.e. RMB5.71 per share) of which approximately RMB3.199 billion will be settled through the transfer of 20% equity interest in Qingdao Qianwan Container Terminal Co., Ltd. (“QQCT”) by QPI and the remainder will be settled in cash. Pursuant to the China Accounting Standards, since the date of the agreement, the balance of investment made by the Group in QQCT has been reclassified from “long-term equity investments” to “assets classified as held for sale”.

(2) *Dividends receivable*

As at the end of March 2017, the balance of dividends receivable of the Group amounted to RMB291 million, representing an increase of RMB216 million, or 288%, as compared with that at the beginning of the year. During the period, the relevant associates and joint ventures declared the distribution of dividends or profits, resulting in an increase in the balance of dividends receivable at the end of the period.

(3) *Available-for-sale financial assets*

As at the end of March 2017, the balance of available-for-sale financial assets of the Group amounted to RMB2.210 billion, representing an increase of RMB547 million, or 32.89%, as compared with that at the beginning of the year. This includes: Shares of Guangzhou Port Company Limited held by SCSTD as available-for-sale financial assets were listed on the Shanghai Stock Exchange at RMB2.29 per share on 29 March 2017. The closing price on 31 March 2017 was RMB3.99. Based on the shares held by SCSTD, the fair value of available-for-sale financial assets in the first quarter of 2017 increased by RMB486 million.

(4) *Short-term borrowings*

As at the end of March 2017, the balance of short-term borrowings of the Group amounted to RMB5.832 billion, representing an increase of RMB2.585 billion, or 79.61%, as compared with that at the beginning of the year. In the first quarter of 2017, the Group increased the balance and proportion of short-term borrowings with relatively low capital costs.

(5) *Salaries payable*

As at the end of March 2017, the balance of salaries payable of the Group amounted to RMB750 million, representing a decrease of RMB463 million, or 38.17%, as compared with that at the beginning of the year. The release during the period of annual bonuses that had been provided for but were not paid as at the end of 2016 also contributed to a decrease in the balance of salaries payable.

(6) *Interest payable*

As at the end of March 2017, the balance of interest payable of the Group amounted to RMB418 million, representing an increase of RMB199 million, or 90.87%, as compared with that at the beginning of the year. As at the end of March 2017, it had been accrued according to the progress, but the balance of accrued interest of the relevant medium-term notes and long-term borrowings in relation to which the date of payment had not expired in accordance with the agreement increased as compared with that at the beginning of the year.

Income statement items

(1) *Total revenue from operations*

For the first quarter of 2017, the Group realized operating revenue of RMB20.101 billion, representing an increase as compared to the corresponding period of last year of RMB6.532 billion, or 48.14%. Eliminating the effect of the disposal of COSCO SHIPPING Bulk Co., Ltd. (“**COSCO Bulk Group**”) and Florens Container Holdings Limited (“**FCHL**”) in the first quarter of 2016, the operating revenue for the first quarter of 2017 increased by RMB8.127 billion as compared to the corresponding period of last year, or 67.87%. Mainly due to the increase in container shipping volume completed and revenue per TEU as compared to the corresponding period of last year, the Group realized revenue from container shipping and related business of RMB19.338 billion for the first quarter of 2017, representing an increase as compared to the corresponding period of last year of RMB7.844 billion, or 68.24%.

(2) *Operating costs*

The operating costs of the Group for the first quarter of 2017 amounted to RMB18.556 billion, representing an increase of RMB4.796 billion, or 34.85% as compared to the corresponding period of last year. Eliminating the effect of the disposal of COSCO Bulk Group and FCHL in the first quarter of 2016, the operating costs for the first quarter of 2017 increased by RMB6.667 billion, or 56.08% as compared to the corresponding period of last year. Mainly due to the expansion of the business scale after reorganization, costs of container shipping and related business for the first quarter of 2017 amounted to RMB18.096 billion, representing an increase as compared to the corresponding period of last year of RMB6.376 billion, or 54.40%.

(3) *Tax and surcharges*

The tax and surcharges of the Group for the first quarter of 2017 amounted to RMB39 million, representing an increase as compared to the corresponding period of last year of RMB24 million, or 160%. In accordance with “Value-added Tax Accounting Treatment Regulation” (Cai Hui [2016] No.22), with effect from 1 May 2016, the Group has reclassified property tax, land use tax, vehicle and vessel usage tax, stamp duty generated from operating activities from “administration expenses” to “tax and surcharges”, resulting in an increase in tax and surcharges of RMB23 million in the first quarter of 2017.

(4) *Administration expenses*

The administration expenses of the Group for the first quarter of 2017 amounted to RMB967 million, representing a decrease as compared to the corresponding period of last year of RMB68 million, or 6.57%. Eliminating the effect of the disposal of COSCO Bulk Group and FCHL in the first quarter of 2016, the administration expenses for the first quarter of 2017 increased by RMB95 million, or 10.89%, as compared to the corresponding period of last year mainly because following reorganization and consolidation, relevant administrative expenses such as labor costs increased in line with significant business growth.

(5) *Finance costs*

The finance costs of the Group for the first quarter of 2017 amounted to RMB371 million, representing a decrease as compared to the corresponding period of last year of RMB279 million, or 42.92%.

Interest expenses amounted to RMB481 million, representing a decrease of RMB139 million as compared to the corresponding period of last year. Eliminating the effect of the disposal of COSCO Bulk Group and FCHL in the first quarter of 2016, the interest expenses for the first quarter of 2017 increased by RMB19 million as compared to the corresponding period of last year. This was mainly due to an increase as compared to the corresponding period of last year in the average interest-bearing liability balance for the first quarter of 2017.

Interest income amounted to RMB101 million, representing a decrease as compared to the corresponding period of last year of RMB21 million. Eliminating the effect of the disposal of COSCO Bulk Group and FCHL in the first quarter of 2016, interest income for the first quarter of 2017 decreased by RMB10 million as compared to the corresponding period of last year. This was mainly due to the fact that under the expectation of the appreciation of the US dollar in the first quarter of 2017, in order to prevent the risk of exchange losses, the Group continued to adjust the bank deposit structure and reduced the amount and proportion of RMB deposits with higher interest rates.

Net exchange gains amounted to RMB32 million as compared to net exchange losses amounting to RMB100 million for the same period last year. This was mainly due to the fact that the Company's US dollar assets and liabilities became relatively balanced through the ongoing restructuring of US dollar assets and US dollar liabilities implemented since the second half of 2015. In the first quarter of 2017, under the circumstance of a decline followed by a rise in the exchange rate of the US dollar against RMB, the Group generated exchange gains amounting to RMB32 million.

(6) *Investment income*

The investment income of the Group for the first quarter of 2017 amounted to RMB274 million as compared with an investment loss of RMB2.114 billion for

the first quarter of 2016. Eliminating the net loss from the disposal of COSCO Bulk Group and FCHL in the first quarter of 2016, the investment income for the first quarter of 2017 decreased by RMB39 million as compared to the corresponding period of last year, of which Investment income from associates and joint ventures amounted to RMB258 million, representing a decrease of RMB43 million as compared to the corresponding period of last year.

(7) *Non-operating income*

The non-operating income of the Group for the first quarter of 2017 amounted to RMB221 million, representing an increase of RMB192 million as compared to the corresponding period of last year, of which Government subsidy amounted to RMB218 million, representing increase of RMB198 million as compared to the corresponding period of last year.

(8) *Non-operating expenses*

The non-operating expenses of the Group for the first quarter of 2017 amounted to RMB8 million, representing a decrease of RMB192 million as compared to the corresponding period of last year. Eliminating the effect of the disposal of COSCO Bulk Group and FCHL in the first quarter of 2016, the non-operating expenses decreased by RMB34 million as compared to the corresponding period of last year.

Cash flow statement items

(1) *Net cash flows from investing activities*

Net cash outflow from investing activities for the first quarter of 2017 amounted to RMB1.627 billion, compared to a net inflow of RMB9.548 billion for the corresponding period of last year. Mainly due to the disposal of COSCO Bulk Group and FCHL during the same period last year, net cash received from the disposal of subsidiaries and other operating units in the first quarter of 2016 was as high as RMB11.229 billion. There was no such cash inflow in the first quarter of 2017.

(2) *Net cash flows from financing activities*

Net cash inflow from financing activities for the first quarter of 2017 amounted to RMB1.292 billion, compared to a net outflow of RMB7.949 billion for the corresponding period of last year. Other cash paid in connection with financing activities for the first quarter of 2017 amounted to RMB32 million as compared to RMB8.609 billion for the same period last year. This was mainly due to the significant financing of acquisitions of agency companies and terminal companies from China Shipping (Group) Company (“**China Shipping**”) during the same period last year as well as the additional purchase of shares in COSCO SHIPPING Ports from secondary markets, which involved large payments by cash.

3.2 Progress of significant events and their impacts as well as analysis and explanations for the solutions

✓ Applicable Not applicable

1. On 5 August 2016, 22 September 2016 and 17 November 2016, upon the approval of the Board, the subsidiaries of COSCO SHIPPING Holdings entered into certain agreements with the subsidiaries of China COSCO SHIPPING Corporation Limited (“**COSCO SHIPPING**”), respectively, to acquire all or part of equity interest in China Shipping (Romania) Agency Co. Ltd. SRL and other offshore companies indirectly held by them. For details, please refer to the “Announcement on Related Party Transactions regarding the Acquisition of Equity Interest in China Shipping (Romania) Agency Co. Ltd. SRL and Other Offshore Companies”, with announcement reference number: 2016-044; the “Announcement on Related Party Transactions regarding the Acquisition of Equity Interest in China Shipping (Myanmar) Co., Ltd. and Other Offshore Companies”, with announcement reference number: 2016-054; and the “Announcement on Related Party Transactions regarding the Acquisition of Equity Interest in COSCO GREECE S.A. and Other Offshore Companies”, with announcement reference number: 2016-065 published on the website of the Shanghai Stock Exchange, as well as the announcements published on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 5 August 2016, 22 September 2016 and 17 November 2016. As at the end of the Reporting Period, the subject matters were still in process.
2. On 28 September 2016, upon the approval of the Board, COSCO SHIPPING Ports (Abu Dhabi) Limited (“**CSPAD**”), a wholly-owned subsidiary of COSCO SHIPPING Ports, a controlled subsidiary of the Company, entered into a concession agreement with Abu Dhabi Ports Company PJSC (“**AD Ports**”). CSPAD obtained the exclusive right to construct, manage and operate Khalifa Port Container Terminal 2 within the concession area; CSPAD and its nominee entrusted with shareholding and AD Ports subsequently succeeded such concession through jointly establishing a joint venture company. Assuming CSPAD exercised its right to extend the term of the concession agreement as agreed in the agreement, the total consideration (including expected capital expenditure to be incurred) for such transaction was estimated to have a present value of approximately US\$738 million (equivalent to approximately RMB4,921,057,800, converted based on the central parity rate used by the interbank foreign exchange market as published by the China Foreign Exchange Trade System on the signing date of the agreement). For details, please refer to the Company’s announcement

titled “Announcement on Signing the Concession Agreement for Khalifa Port Container Terminal 2 by a subsidiary” published on the website of the Shanghai Stock Exchange on 29 September 2016 with announcement reference number: 2016-056, and the announcement published on the website of the Stock Exchange on 20 September 2016. As at the end of the Reporting Period, the joint venture company has been established and other matters relating to such transaction are undergoing implementation.

3. On 12 October 2016, upon the approval of the Board, COSCO SHIPPING Ports (Vado) Limited (“**CSPL SPV**”), a wholly-owned subsidiary of COSCO SHIPPING Ports, entered into a share sale and purchase agreement with APM Terminals B.V. (a private limited liability company incorporated under the laws of the Netherlands). CSPL SPV purchased the 40% equity interest in APM Terminals Vado Holding B.V. (a private limited liability company incorporated under the laws of the Netherlands), (“**Vado Terminals Holding Company**”) held by APM Terminals B.V. with a purchase price of €7,052,015.60 (equivalent to approximately RMB52.443 million, converted based on the central parity rate used by the interbank foreign exchange market as published by the China Foreign Exchange Trade System on the signing date of the agreement). COSCO SHIPPING Ports provided a guarantee for CSPL SPV’s obligations under the share sale and purchase agreement. Following the completion of such transaction, CSPL SPV would make available an amount of up to €46,000,000 (equivalent to approximately RMB342.0836 million) to Vado Terminals Holding Company by way of shareholder loan or share premium contributions. For details, please refer to the Company’s announcement titled “Announcement on Acquisition of 40% Equity Interest in the Vado Terminals Holding Company in Italy by a Subsidiary” published on the website of the Shanghai Stock Exchange website on 18 October 2016, with announcement reference number: 2016-057 and the announcement published on the website of the Stock Exchange on 17 October 2016. As at the end of the Reporting Period, such transaction had been completed.
4. On 20 January 2017, upon the approval of the Board, SCSTD and QPI entered into an agreement in relation to the issuance of domestic shares and acquisition of assets. SCSTD agreed to subscribe for 1,015,520,000 non-circulating domestic shares issued by QPI at a price of RMB5,798,619,200 (equivalent to approximately RMB5.71 per share), of which RMB3,198,650,840 was to be settled by the transfer of its 20% equity interest in QQCT held by SCSTD and the remaining RMB2,599,968,360 was to be settled in cash. Upon the completion of such transaction and H share placing of QPI, the Company will indirectly hold 1,111,520,000 shares

of QPI, representing 18.41% of its total share capital. For details, please refer to the Company's announcement titled "Announcement on External Investments by a Holding Subsidiary" published on the website of the Shanghai Stock Exchange on 21 January 2017, with announcement reference number: 2017-003 and the announcement published on the website of the Stock Exchange on 20 January 2017.

As at the end of the Reporting Period, such transaction has been considered and approved at the extraordinary general meeting of COSCO SHIPPING Ports, and the subject matter is still undergoing implementation.

3.3 Undertakings yet to be fulfilled within the Reporting Period

Applicable Not applicable

3.4 Warning and explanation in respect of forecast of probable loss in respect of the accumulated net profit from the beginning of the year to the end of the next reporting period or any significant changes as compared to the corresponding period of last year

Applicable Not applicable

During the Reporting Period, benefitting from the stably recovering market and integration synergies, the overall operation conditions of COSCO SHIPPING Holdings retained positive momentum. The net profit attributable to equity holders of the Company for the first quarter of 2017 was estimated to be approximately RMB270,000,000. It is estimated that the accumulated net profit from the beginning of the year to the end of the next reporting period (i.e. the second quarter of 2017) will have a substantial improvement as compared to the corresponding period of last year. The final data should be those to be disclosed in the 2017 interim report of the Company.

3.5 Operating data of business segments

Container shipping business

During the Reporting Period, the shipping volume of the Group's container shipping business reached 4,654,743 TEUs (i.e. twenty-foot containers subscribing to the standards adopted by the International Organization for Standardization), representing an increase of 53.92% as compared to the corresponding period of last year.

As at 31 March 2017, the fleet operated by the Group included 327 container vessels, with a total capacity of 1,699,586 TEUs. Meanwhile, the Group had 33 orders for container vessels, representing a total of 542,776 TEUs.

<i>Shipping volume (TEUs)</i>			
	January to March 2017	January to March 2016	Change as compared to corresponding period %
Trans-Pacific	709,387	462,458	53.39
Asia-Europe (including Mediterranean)	1,036,845	647,843	60.05
Intra-Asia (including Australia)	1,244,698	879,371	41.54
Other international market (including Atlantic Ocean)	364,385	234,287	55.53
China	<u>1,299,428</u>	<u>800,075</u>	<u>62.41</u>
Total	<u>4,654,743</u>	<u>3,024,034</u>	<u>53.92</u>

<i>Revenue of Shipping Routes (RMB'000)</i>			
	January to March 2017	January to March 2016	Change as compared to corresponding period %
Trans-Pacific	4,965,110	3,376,679	47.04
Asia-Europe (including Mediterranean)	4,783,383	2,425,027	97.25
Intra-Asia (including Australia)	3,268,874	2,222,648	47.07
Other international market (including Atlantic Ocean)	1,650,126	721,255	128.79
China	2,879,715	1,631,490	76.51
Offset of internal transactions among routes	<u>-440,442</u>	<u>-367,084</u>	<u>—</u>
Total	<u>17,106,766</u>	<u>10,010,015</u>	<u>70.90</u>

Terminal business

During the Reporting Period, the total throughput of the Group's container terminal business reached 23,914,185 TEUs, representing an increase of 7.48% as compared to the corresponding quarter of last year.

Throughput (TEUs)

	January to March 2017	January to March 2016	Change as compared to corresponding period %
Bohai Rim	7,704,633	7,719,245	-0.19
Yangtze River Delta	4,692,381	4,578,956	2.48
Southeast coast and other regions	1,066,565	970,147	9.94
Pearl River Delta	5,866,606	5,608,477	4.60
Southwest coast	275,234	262,570	4.82
Overseas	<u>4,308,767</u>	<u>3,109,749</u>	<u>38.56</u>
Total	<u>23,914,186</u>	<u>22,249,144</u>	<u>7.48</u>

Company name	COSCO SHIPPING Holdings Co., Ltd.
Legal representative	Wan Min
Date	28 April 2017

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet 31 March 2017

Prepared by COSCO SHIPPING Holdings Co., Ltd.

	<i>Unit: Yuan</i>	<i>Currency: RMB</i>	<i>Audit type: Unaudited</i>
Item		At the end of the period	At the beginning of the year
Current assets:			
Monetary assets		31,551,526,279.97	32,512,220,160.09
Balance with clearing companies			
Placement with banks			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable		215,637,995.14	253,996,000.34
Accounts receivable		6,159,893,429.85	5,931,743,755.38
Prepayments		2,484,192,846.92	2,468,607,890.12
Premium receivables			
Receivables from reinsurers			
Reinsurance deposits receivables			
Interest receivable		38,162,220.60	55,169,500.80
Dividends receivable		291,163,674.16	74,726,778.55
Other receivables		1,702,314,430.11	1,789,733,660.06
Financial assets purchased under resale agreements			
Inventories		1,717,782,049.38	1,564,690,161.94
Assets classified as held for sale		1,315,752,017.35	
Non-current assets due within one year		131,587,310.31	127,935,550.93
Other current assets		527,895,485.91	583,642,217.56
Total current assets		46,135,907,739.70	45,362,465,675.77

Item	At the end of the period	At the beginning of the year
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets	2,209,536,332.09	1,662,670,143.07
Investments held to maturity		
Long-term receivables	1,402,028,132.93	1,215,380,198.21
Long-term equity investments	19,191,830,584.80	20,430,555,750.46
Investment properties	191,569,807.69	195,243,708.61
Fixed assets	43,884,595,929.88	43,573,505,381.41
Construction-in-progress	5,210,000,346.70	4,846,272,582.17
Construction materials		
Disposal of fixed assets	467,000.07	
Biological assets for production use		
Oil and gas assets		
Intangible assets	2,082,120,419.85	2,102,414,194.28
Development expenditure	285,295.92	181,022.42
Goodwill	15,545,423.59	15,545,423.59
Long-term deferred expenses	5,915,213.06	6,104,895.64
Deferred income tax assets	87,612,685.93	85,683,501.41
Other non-current assets	156,884,211.10	156,711,005.24
Total non-current assets	74,438,391,383.61	74,290,267,806.51
Total assets	120,574,299,123.31	119,652,733,482.28
Current liabilities:		
Short-term borrowings	5,831,777,262.89	3,246,917,262.89
Loans from central bank		
Deposits and amounts due to banks		
Placement from banks		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		26,000,000.00
Accounts payable	15,952,237,663.39	16,772,261,521.00
Advance from customers	272,897,246.28	256,741,044.99
Financial assets sold under agreements to repurchase		
Handling charges and commission payables		
Salaries payable	749,829,465.82	1,213,126,510.57

Item	At the end of the period	At the beginning of the year
Tax payables	803,234,994.52	923,260,675.16
Interest payable	418,192,164.92	218,633,806.92
Dividends payable	71,503,671.80	72,012,770.97
Other payables	3,640,607,588.64	4,046,314,810.69
Due to reinsurers		
Insurance deposits payable		
Securities trading fees		
Securities underwriting fees		
Liabilities classified as held for sale		
Non-current liabilities due within one year	7,732,442,733.56	6,725,343,846.62
Other current liabilities		
Total current liabilities	35,472,722,791.82	33,500,612,249.81
Non-current liabilities:		
Long-term borrowings	27,265,715,101.23	29,252,955,437.49
Debentures payable	17,814,181,974.04	17,852,399,313.18
Of which: Preferred shares		
Perpetual bonds		
Long-term payables	338,157,539.03	363,568,612.54
Long-term employee benefits payable	297,611,507.82	301,006,306.44
Special payables		
Estimated liabilities	86,353,326.57	83,096,693.03
Deferred income	220,241,071.36	221,676,489.16
Deferred income tax liabilities	542,070,316.21	522,242,268.44
Other non-current liabilities	6,540,104.67	6,307,225.87
Total non-current liabilities	46,570,870,940.93	48,603,252,346.15
Total liabilities	82,043,593,732.75	82,103,864,595.96
Owners' equity:		
Share capital	10,216,274,357.00	10,216,274,357.00
Other equity instruments		
Of which: Preferred shares		
Perpetual bonds		
Capital reserves	27,502,030,069.95	27,502,761,262.04
Less: Treasury shares		
Other comprehensive income	-795,203,884.06	-994,790,719.06
Special reserves	139,934.96	

Item	At the end of the period	At the beginning of the year
Surplus reserves	851,619,535.66	851,619,535.66
Provision for ordinary risks		
Undistributed profit (Loss denoted with “-”)	-18,983,058,534.58	-19,252,568,657.84
Total equity attributable to owners of the parent company	18,791,801,478.93	18,323,295,777.80
Minority interests	19,738,903,911.63	19,225,573,108.52
Total owners’ equity	38,530,705,390.56	37,548,868,886.32
Total liabilities and owners’ equity	120,574,299,123.31	119,652,733,482.28

Legal representative: Wan Min

Person in charge of accounting: Deng Huangjun

Person in charge of the accounting department: Xu Hongwei

Balance Sheet of the Parent Company
31 March 2017

Prepared by COSCO SHIPPING Holdings Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	At the end of the period	At the beginning of the year
Current assets:		
Monetary assets	332,962,887.06	636,743,818.56
Financial assets at fair value through profit and loss		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Prepayments		
Interest receivable	3,232,532.11	2,731,580.72
Dividends receivable		
Other receivables	123,352,314.87	69,719,177.97
Inventories		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	1,363,715,828.08	1,063,715,828.08
Total current assets	1,823,263,562.12	1,772,910,405.33
Non-current assets:		
Financial assets available for sale		
Investments held to maturity		
Long-term receivables	4,970,102,787.82	4,966,330,537.81
Long-term equity investments	32,599,315,740.87	32,599,315,740.87
Investment properties		
Fixed assets	725,770.49	772,118.35
Construction-in-progress		
Construction materials		
Disposal of fixed assets		
Biological assets for production use		
Oil and gas assets		
Intangible assets	4,472,500.00	4,772,500.00
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	37,574,616,799.18	37,571,190,897.03
Total assets	39,397,880,361.30	39,344,101,302.36

Item	At the end of the period	At the beginning of the year
Current liabilities:		
Short-term borrowings	563,110,000.00	563,110,000.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Advance from customers		
Salaries payable	40,416,348.37	41,868,353.23
Tax payables	472,309,974.98	472,131,350.93
Interest payable	231,330,988.81	98,122,177.61
Dividends payable	10,129.09	10,205.76
Other payables	140,240,373.12	139,820,458.16
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,447,417,814.37	1,315,062,545.69
Non-current liabilities:		
Long-term borrowings		
Debentures payable	8,928,445,916.94	8,921,673,666.93
Of which: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term employee benefits payable		
Special payables		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	8,928,445,916.94	8,921,673,666.93
Total liabilities	10,375,863,731.31	10,236,736,212.62

Item	At the end of the period	At the beginning of the year
Owners' equity:		
Share capital	10,216,274,357.00	10,216,274,357.00
Other equity instruments		
Of which: Preferred shares		
Perpetual bonds		
Capital reserves	39,122,468,566.93	39,122,468,566.93
Less: Treasury shares		
Other comprehensive income		
Special reserves		
Surplus reserves	851,456,104.01	851,456,104.01
Undistributed profit (Loss denoted with "-")	-21,168,182,397.95	-21,082,833,938.20
Total owners' equity	29,022,016,629.99	29,107,365,089.74
Total liabilities and owners' equity	39,397,880,361.30	39,344,101,302.36

Legal representative: Wan Min

Person in charge of accounting: Deng Huangjun

Person in charge of the accounting department: Xu Hongwei

Consolidated Income Statement January to March 2017

Prepared by COSCO SHIPPING Holdings Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the current period	Amount for the preceding period
1. Total revenue from operations	20,101,447,987.02	13,568,615,814.49
Including: Operating revenue	20,101,447,987.02	13,568,615,814.49
Interest income		
Premium earned		
Handling fee and commission income		
2. Total costs from operations	19,950,820,742.21	15,486,214,819.30
Including: Operating costs	18,555,856,176.91	13,760,388,713.42
Interest expenses		
Handling fee and commission expenses		
Surrenders		
Net claims expenses		
Net provisions for insurance contracts reserve		
Insurance policy dividend paid		
Reinsurance costs		
Business tax and surcharges	39,251,440.31	15,487,932.55
Selling expenses	12,524,505.31	20,171,743.34
Administration expenses	966,783,081.81	1,035,227,098.86
Finance costs	371,335,472.96	650,831,040.11
Impairment loss on assets	5,070,064.91	4,108,291.02
Add: Gains from changes in fair value (Loss denoted with “-”)		41,887.45
Investment income (Loss denoted with “-”)	273,964,265.34	-2,114,125,810.21
Including: Investment income from associated companies and joint ventures	273,964,265.34	303,960,277.94
Exchange gains (Loss denoted with “-”)		
3. Operating profit (Loss denoted with “-”)	424,591,510.15	-4,031,682,927.57
Add: Non-operating income	220,887,892.12	28,605,842.72
Including: Gains on disposal of non-current assets	1,223,788.46	3,576,954.12
Less: Non-operating expenses	8,412,613.57	199,623,917.07
Including: Loss on disposal of non-current assets	116,969.93	807,680.16
4. Total profit (Loss denoted with “-”)	637,066,788.70	-4,202,701,001.92
Less: Income tax expenses	157,760,026.46	138,105,728.48

Item	Amount for the current period	Amount for the preceding period
5. Net profit (Loss denoted with “-”)	479,306,762.24	-4,340,806,730.40
Net profit attributable to equity holders of the parent company	270,140,451.23	-4,460,323,575.19
Minority interests	209,166,311.01	119,516,844.79
6. Other comprehensive income after tax, net	508,337,795.31	2,750,505,656.74
Other comprehensive income after tax attributable to owners of the parent company, net	199,586,835.00	2,643,605,104.32
(1) Other comprehensive income that may not be subsequently reclassified into profit or loss		134,980,000.00
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		134,980,000.00
2. Share of other comprehensive income of investee that may not be subsequently reclassified into profit or loss under equity method		
(2) Other comprehensive income that will be subsequently reclassified into profit or loss	199,586,835.00	2,508,625,104.32
1. Share of other comprehensive income of investee that will be subsequently reclassified into profit or loss under equity method	437,024.57	-8,101,148.58
2. Gains or losses from changes in fair value of available-for sale financial assets	254,849,531.87	-29,021,050.78
3. Gains or losses from reclassification of held-to-maturity investment as available-for sale financial assets		
4. Effective hedging portion of gains or losses arising from cash flow hedging instruments		
5. Exchange difference on translation of financial statements in foreign currency	-55,699,721.44	2,540,899,647.27
6. Others		4,847,656.41
Other comprehensive income after tax attributable to minority shareholders, net	308,750,960.31	106,900,552.42
7. Total consolidated income (Loss denoted with “-”)	987,644,557.55	-1,590,301,073.66
Total consolidated income attributable to equity holders of the parent company (Loss denoted with “-”)	469,727,286.23	-1,816,718,470.87
Total consolidated income attributable to minority shareholders	517,917,271.32	226,417,397.21
8. Earnings per share		
(1) Basic earnings per share (RMB/share) (Loss denoted with “-”)	0.03	-0.44
(2) Diluted earnings per share (RMB/share) (Loss denoted with “-”)	0.03	-0.44

For business combination under common control during the Reporting Period, the net profit of the acquiree realized before business combination was: RMB0.00 and the net profit of the acquiree realized for the preceding reporting period was: RMB76,701,298.17.

Legal representative: Wan Min

Person in charge of accounting: Deng Huangjun

Person in charge of the accounting department: Xu Hongwei

Income Statement of the Parent Company
January to March 2017

Prepared by COSCO SHIPPING Holdings Company Limited

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the current period	Amount for the preceding period
1. Total revenue		
Less: Operating costs		
Business tax and surcharges		
Selling expenses		
Administration expenses	7,876,983.83	82,963,037.43
Finance costs	86,185,299.26	77,346,272.52
Impairment loss on assets		
Add: Gains from changes in fair value (Loss denoted with “-”)		41,887.45
Investment income (Loss denoted with “-”)	8,713,823.34	-21,988,075,200.27
Including: Investment income from associated companies and joint ventures		
2. Operating profit (Loss denoted with “-”)	-85,348,459.75	-22,148,342,622.77
Add: Non-operating income		
Including: Gains on disposal of non-current assets		
Less: Non-operating expenses		
Including: Loss on disposal of non-current assets		
3. Total profit (Loss denoted with “-”)	-85,348,459.75	-22,148,342,622.77
Less: Income tax expenses		
4. Net profit (Loss denoted with “-”)	-85,348,459.75	-22,148,342,622.77
5. Other comprehensive income after tax, net		
(1) Other comprehensive income that may not be subsequently reclassified into profit or loss		
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of investee that may not be subsequently reclassified into profit or loss under equity method		

Item	Amount for the current period	Amount for the preceding period
(2) Other comprehensive income that will be subsequently reclassified into profit or loss		
1. Share of other comprehensive income of investee that will be subsequently reclassified into profit or loss under equity method		
2. Gains or losses from changes in fair value of available-for-sale financial assets		
3. Gains or losses from reclassification of held-to-maturity investment as available-for sale financial assets		
4. Effective hedging portion of gains or losses arising from cash flow hedging instruments		
5. Exchange difference on translation of financial statements in foreign currency		
6. Others		
6. Total comprehensive income (Loss denoted with “-”)	-85,348,459.75	-22,148,342,622.77
7. Earnings per share		
(1) Basic earnings per share (RMB/share)		
(2) Diluted earnings per share (RMB/share)		

Legal representative: Wan Min

Person in charge of accounting: Deng Huangjun

Person in charge of the accounting department: Xu Hongwei

Consolidated Statement of Cash Flows
January to March 2017

Prepared by COSCO SHIPPING Holdings Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the current period	Amount for the preceding period
1. Cash flow generated from operating activities:		
Cash from sale of products and provision of services	20,766,769,785.79	15,015,079,465.42
Net increase in deposits from customers and business partners		
Net increase in borrowings from central bank		
Net increase in loans from other financial institutions		
Cash premiums received under original insurance policies		
Net cash received from reinsurance business		
Net increase in deposit from insurance policy holders and investment		
Net increase in disposal of financial assets at fair value through profit or loss		
Cash received for interest, handling fee and commission		
Net increase in borrowings		
Net gain from repurchase of business		
Tax rebate received	132,031,318.64	92,220,406.26
Other cash from operating activities	1,647,135,329.15	1,307,568,675.02
Cash inflow from operating activities - subtotal	22,545,936,433.58	16,414,868,546.70
Cash paid for purchase of products and services	19,369,458,918.39	12,473,697,805.76
Net increase in loans and advances to customers		
Net increase in deposits with central bank and other business partners		
Cash benefits paid for original insurance policies		
Cash paid for interest, handling fee and commission		
Cash dividends paid for insurance policies		
Cash paid to and for employees	1,874,932,270.29	2,273,818,631.09
Cash paid for various taxes	314,315,295.96	189,621,131.98
Cash paid for other operating activities	1,631,096,516.01	1,995,575,640.83
Cash outflow from operating activities - subtotal	23,189,803,000.65	16,932,713,209.66
Net cash flow generated from operating activities	-643,866,567.07	-517,844,662.96

Item	Amount for the current period	Amount for the preceding period
2. Cash flow generated from investment activities:		
Cash from recovery of investments		255,000,000.00
Cash from investment income	15,018,256.57	34,990,895.72
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,608,280.30	23,927,260.20
Net cash received from disposal of subsidiaries and other business units		11,229,184,866.04
Cash received from other investment activities		425,973,475.21
Cash inflow from investment activities — subtotal	16,626,536.87	11,969,076,497.17
Cash paid for acquisition and installation of fixed assets, intangible assets and other long term assets	1,401,959,156.66	2,102,813,423.54
Cash paid for investments	232,738,603.84	317,401,000.00
Net increase in secured loans		
Net cash paid for acquiring subsidiaries and other operating entities		
Cash paid for other investment activities	8,653,931.39	446,687.58
Cash outflow from investment activities — subtotal	1,643,351,691.89	2,420,661,111.12
Net cash generated from investment activities	-1,626,725,155.02	9,548,415,386.05
3. Cash flow generated from financing activities:		
Cash received from investments		56,416,887.66
Including: Cash received by subsidiaries from investment by minority shareholders		56,026,024.70
Cash received from borrowings	6,107,080,150.98	14,851,413,891.15
Cash received from issue of debenture		
Cash received from other financing activities		2,222.99
Cash inflow from financing activities — subtotal	6,107,080,150.98	14,907,833,001.80
Cash paid for repayment of indebtedness	4,438,469,665.27	13,613,852,940.27
Cash paid for distribution of dividends, profit or interest	344,997,038.29	633,966,713.70
Including: Dividends and profit distributed to minority shareholders by subsidiaries	2,939,003.95	
Cash paid for other financing activities	31,995,247.40	8,608,852,285.94
Cash outflow from financing activities — subtotal	4,815,461,950.96	22,856,671,939.91
Net cash flow generated from financing activities	1,291,618,200.02	-7,948,838,938.11
4. Effects of changes in exchange rates on cash and cash equivalents	-101,688,499.63	-127,674,442.69

Item	Amount for the current period	Amount for the preceding period
5. Net increase in cash and cash equivalents (decrease denoted with “-”)	-1,080,662,021.70	954,057,342.29
Add: Balance of cash and cash equivalents at the beginning of the period	32,188,572,012.16	33,897,143,503.80
6. Balance of cash and cash equivalents at the end of the period	31,107,909,990.46	34,851,200,846.09

Legal representative: Wan Min

Person in charge of accounting: Deng Huangjun

Person in charge of the accounting department: Xu Hongwei

**Statement of Cash Flows of the Parent Company
January to March 2017**

Prepared by COSCO SHIPPING Holdings Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the current period	Amount for the preceding period
1. Cash flow generated from operating activities:		
Cash from sale of products and provision of services		
Tax rebate received		
Cash received from other operating activities	1,771,099.66	4,700,020.21
Cash inflow from operating activities — subtotal	1,771,099.66	4,700,020.21
Cash paid for purchase of products and services		
Cash paid to and for employees	6,410,488.10	56,373,178.58
Cash paid for various taxes		
Cash paid for other operating activities	1,717,005.16	52,157,556.77
Cash outflow from operating activities — subtotal	8,127,493.26	108,530,735.35
Net cash flow generated from operating activities	-6,356,393.60	-103,830,715.14
2. Cash flow generated from investment activities:		
Cash from recovery of investments		255,000,000.00
Cash from investment income		8,739,794.52
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		6,669,639,800.00
Cash received from other investment activities	8,146,790.67	
Cash inflow from investment activities — subtotal	8,146,790.67	6,933,379,594.52
Cash paid for acquisition and installation of fixed assets, intangible assets and other long term assets	25,630.00	1,450,000.00
Cash paid for investments		190,000,000.00
Net cash paid for acquiring subsidiaries and other operating entities		
Cash paid for other investment activities	300,000,000.00	
Cash outflow from investment activities - subtotal	300,025,630.00	191,450,000.00
Net cash generated from investment activities	-291,878,839.33	6,741,929,594.52

Item	Amount for the current period	Amount for the preceding period
3. Cash flow generated from financing activities:		
Cash received from investments		
Cash received from borrowings		
Cash received from other financing activities		
Cash inflow from financing activities - subtotal		
Cash paid for repayment of indebtedness		
Cash paid for distribution of dividends, profit or interest	5,067,990.00	
Cash paid for other financing activities	7,038.87	
Cash outflow from financing activities — subtotal	5,075,028.87	
Net cash flow generated from financing activities	-5,075,028.87	
4. Effects of changes in exchange rates on cash and cash equivalents	-470,669.70	-320,333.01
5. Net increase in cash and cash equivalents (decrease denoted with “-”)	-303,780,931.50	6,637,778,546.37
Add: Balance of cash and cash equivalents at the beginning of the period	636,743,818.56	1,304,373,883.52
6. Balance of cash and cash equivalents at the end of the period	332,962,887.06	7,942,152,429.89

Legal representative: Wan Min

Person in charge of accounting: Deng Huangjun

Person in charge of the accounting department: Xu Hongwei

4.2 Audit report

Applicable Not applicable

By Order of the Board
COSCO SHIPPING Holdings Co., Ltd.
Guo Huawei
Company Secretary

Shanghai, the People's Republic of China
28 April 2017

As at the date of this announcement, the directors of the Company are Mr. WAN Min² (Chairman), Mr. HUANG Xiaowen¹ (Vice Chairman), Mr. XU Zunwu¹, Mr. MA Jianhua², Mr. WANG Haimin¹, Mr. ZHANG Wei (張為)¹, Mr. FENG Boming², Mr. ZHANG Wei (張煒)², Mr. CHEN Dong², Dr. FAN HSU Lai Tai, Rita³, Mr. KWONG Che Keung, Gordon³, Mr. Peter Guy BOWIE³ and Mr. YANG, Liang Yee Philip³.

¹. *Executive Director*

². *Non-executive Director*

³. *Independent non-executive Director*

* *For identification purpose only*