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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)

THIRD QUARTERLY REPORT FOR 2018

Pursuant to the regulations of the China Securities Regulatory Commission of People's Republic of China (the “**PRC**”), 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.

All financial information set out in this quarterly report for the nine months ended 30 September 2018 (the “**Reporting Period**”) is unaudited and prepared in accordance with the PRC Accounting Standards.

This announcement is made pursuant to Rule 13.09 and Rule 13.10B of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

I. IMPORTANT NOTICE

- 1.1 The board of directors, 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 responsibilities 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 of directors to consider and approve this quarterly report.

1.3 Xu Lirong (chairman of the Company), Wang Haimin (executive director and general manager), Zhang Mingwen (chief financial officer), and Xu Hongwei (general manager of the financial management department) hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.

1.4 The third quarterly report of the Company has not been audited.

1.5 During the current period, the Group completed the offer to acquire Orient Overseas (International) Limited (stock code: 00316) (“OOIL”), a company listed on the main board of the Hong Kong Stock Exchange. OOIL has been consolidated into the financial statements of the Group from 1 July 2018.

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 (%)
Total assets	227,872,394,963.78	133,190,004,778.33	71.09
Net assets attributable to equity holders of the listed Company	22,329,938,974.96	20,669,286,170.30	8.03
	Beginning of the year to the end of the Reporting Period (January to September)	Beginning of last year to the end of the reporting period of last year (January to September)	Increase/decrease over the corresponding period of last year (%)
Net cash flow from operating activities	4,474,089,680.33	5,204,730,439.44	-14.04

	Beginning of the year to the end of the Reporting Period (January to September)	Beginning of last year to the end of the Reporting Period of last year (January to September)	Increase/decrease over the corresponding period of last year (%)
Operating revenue	82,130,067,908.78	67,598,753,056.00	21.50
Net profit attributable to equity holders of the listed Company	862,585,991.64	2,735,876,568.43	-68.47
Net profit attributable to equity holders of the listed Company, net of non-recurring profit or loss	-383,142,725.97	1,110,459,842.25	-134.50
Weighted average return on net assets (%)	2.64	13.89	Decrease by 11.25 percentage points
Basic earnings per share (RMB/share)	0.08	0.27	-70.37
Diluted earnings per share (RMB/share)	0.08	0.27	-70.37

Non-recurring profit or loss items and amounts

Applicable Not applicable

Item	Unit: Yuan Currency: RMB		Description
	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)	
Gains or losses on disposal of non-current assets	84,422,220.57	88,456,061.67	
Government subsidies recorded in the profit or 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)	1,124,972,559.87	1,313,162,985.30	To eliminate obsolete and worn-out transportation vessels with high energy consumption and significant pollution and safety risks, facilitate energy saving and emission reduction, and enhance environmental protection, the Group demolished eight obsolete and worn-out container vessels during the period of 2016-2017, and recorded a total net loss of RMB644 million on vessel demolition (having been recorded in the non-operating expenses for the corresponding years). Pursuant to the Notice relating to the Publication of the “Administrative Measures for the Special Funds of Central Financial Subsidies To Encourage Retirement And Replacement Of Obsolete And Worn-out Transportation Vessels And Single-hull Oil Tankers” issued by the Ministry of Finance and others (Cai Jian [2014] No.24), the Group received subsidies for the demolition of obsolete and worn-out vessels of approximately RMB809 million transferred from its indirect controlling shareholder, China COSCO SHIPPING Corporation Limited, during the period.

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)	Description
Profit or loss from debt reorganization		-678,310.99	
Apart from hedging instruments relating to the normal operating business of the Company, gains or losses from change in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets	-1,537,847.68	-1,537,847.68	
Reversal of provision for impairment of accounts receivable that is individually tested for impairment	12,606,632.56	12,699,354.93	
Other non-operating income and expenses excluding the items above	-11,261,600.18	8,483,063.73	
Effect of minority shareholders' interests (after tax)	-21,175,623.29	-56,281,252.82	
Effect of income tax	-95,983,428.91	-118,575,336.53	
Total	1,092,042,912.94	1,245,728,717.61	

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 **298,472**

Shareholdings of the top ten shareholders

Name of shareholder (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held		Nature of shareholder
			subject to selling restrictions	Pledged or frozen Status of shares Number	
China Ocean Shipping Company Limited	4,557,594,644	44.61	0	Nil	State-owned legal person
HKSCC NOMINEES LIMITED	2,580,600,000	25.26	0	Unknown	Others
Beijing Chengtong Financial Investment Co., Ltd.	306,488,200	3.00	0	Nil	Others
China Securities Finance Corporation Limited	305,467,277	2.99	0	Nil	Others
Wuhan Iron and Steel (Group) Corp.	250,000,000	2.45	0	Nil	Others
China State Shipbuilding Corporation	204,000,000	2.00	0	Nil	Others
China National Nuclear Corporation	72,000,000	0.70	0	Nil	Others
Central Huijin Asset Management Limited	54,466,500	0.53	0	Nil	Others
Hong Kong Securities Clearing Company Limited	43,389,145	0.42	0	Nil	Others
Maoming Carlyle Investment Management Co., Ltd.	19,351,129	0.19	0	Nil	Others

Shareholdings of the top ten 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 Company Limited	4,557,594,644	RMB ordinary shares	4,557,594,644
HKSCC NOMINEES LIMITED	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
China Securities Finance Corporation Limited	305,467,277	RMB ordinary shares	305,467,277
Wuhan Iron and Steel (Group) Corp.	250,000,000	RMB ordinary shares	250,000,000
China State Shipbuilding Corporation	204,000,000	RMB ordinary shares	204,000,000
China National Nuclear Corporation	72,000,000	RMB ordinary shares	72,000,000
Central Huijin Asset Management Limited	54,466,500	RMB ordinary shares	54,466,500
Hong Kong Securities Clearing Company Limited	43,389,145	RMB ordinary shares	43,389,145
Maoming Carlyle Investment Management Co., Ltd.	19,351,129	RMB ordinary shares	19,351,129
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		

As at the end of the Reporting Period, China Ocean Shipping Company Limited held 87,635,000 H shares of the Company 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. China Ocean Shipping Company Limited and its subsidiaries held 45.47% of all issued shares of the Company in aggregate.

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. Monetary assets

As at the end of September 2018, the balance of monetary assets of the Group amounted to RMB35.073 billion, representing an increase of RMB8.984 billion or 34.43% as compared to the end of last year. Excluding the balance of OOIL as at the end of September 2018, there was a decrease of 6.7% as compared to the end of last year.

2. Held-for-trading financial assets

As at the end of September 2018, the balance of held-for-trading financial assets of the Group amounted to RMB2.766 billion, which was the balance of bond investments, stock investments and fund investments held by OOIL for trading as at the end of September 2018.

3. Derivative financial instruments

As at the end of September 2018, the balance of derivative financial instruments of the Group amounted to RMB12 million, which was the balance of international fuel oil futures contract of OOIL as at the end of September 2018.

4. Notes receivable and accounts receivable

As at the end of September 2018, the balance of notes receivable and accounts receivable of the Group amounted to RMB10.449 billion, representing an increase of RMB3.956 billion or 60.91% as compared to the end of last year. Excluding the balance of OOIL as at the end of September, there was an increase of 17.73% as compared to the end of last year.

5. **Prepayments**

As at the end of September 2018, the balance of prepayments of the Group amounted to RMB2.773 billion, representing an increase of RMB1.088 billion or 64.65% as compared to the end of last year. Excluding the balance of OOIL as at the end of September, there was an increase of 17.74% as compared to the end of last year.

6. **Other receivables**

As at the end of September 2018, the balance of other receivables of the Group amounted to RMB2.32 billion, representing an increase of RMB881 million or 61.2% as compared to the end of last year. Excluding the balance of OOIL as at the end of September, there was an increase of 6.32% as compared to the end of last year.

7. **Inventories**

As at the end of September 2018, the balance of inventories of the Group amounted to RMB3.918 billion, representing an increase of RMB1.587 billion or 68.12% as compared to the end of last year. Excluding the balance of OOIL as at the end of September, there was an increase of 32.05% as compared to the end of last year. This is mainly due to the increase in unit price of fuel and the increased scale of the self-operating vessels of COSCO SHIPPING Lines Co., Ltd. (a subsidiary of the Company) at the end of September 2018 as compared to the end of last year, leading to an increase in the amount of fuel reserve as compared to the end of last year.

8. **Contract assets**

As at the end of September 2018, the balance of contract assets of the Group amounted to RMB210 million as compared to nil at the end of last year. This is due to the implementation of the Notice on Revising and Circulating General Corporate Financial Statement Formats 2018 (Cai Kuai [2018] No.15) by the Group since the 2018 interim report, pursuant to which the accrued receivables from customers originally presented under accounts receivables that fall within the definition of contract assets were reclassified and presented as contract assets.

9. **Assets held for sale**

As at the end of September 2018, the balance of assets held for sale of the Group amounted to RMB4.728 billion, being the Long Beach Container Terminal which

OOIL had committed to sell. According to “Accounting Standards for Business Enterprises No. 42 — Non-current Assets Held for Sale, Disposal Groups and Discontinued Operation”, assets related to Long Beach Terminal were presented from the item of other related assets to this item in the balance sheet.

10. Non-current assets due within one year

As at the end of September 2018, the balance of non-current assets due within one year of the Group amounted to RMB1.288 billion, which was the prepayments for constructions of containers by OOIL and its bond investment due within one year.

11. Debt investment

As at the end of September 2018, the balance of debt investment of the Group amounted to RMB1.273 billion, which was the balance of bonds held by OOIL in long term.

12. Available-for-sale financial assets

As at the end of September 2018, the balance of available-for-sale financial assets of the Group was nil as compared to RMB2.367 billion at the end of last year. This is due to the implementation of the Notice on Revising and Circulating General Corporate Financial Statement Formats 2018 (Cai Kuai [2018] No.15) by the Group since the 2018 interim report, pursuant to which the balance of financial assets originally presented under available-for-sale financial assets was reclassified as other equity instrument investments.

13. Other equity instrument investments

As at the end of September 2018, the balance of other equity instrument investments of the Group amounted to RMB2.296 billion as compared to nil at the end of last year. This is due to the implementation of the Notice on Revising and Circulating General Corporate Financial Statement Formats 2018 (Cai Kuai [2018] No.15) by the Group since the 2018 interim report, pursuant to which the balance of financial assets originally presented under available-for-sale financial assets was reclassified as other equity instrument investments.

14. Investment properties

As at the end of September 2018, the balance of investment properties of the Group amounted to RMB2.317 billion, of which the balance of investment properties of OOIL as at the end of September 2018 amounted to RMB2.128 billion.

15. **Fixed assets**

As at the end of September 2018, the balance of the fixed assets of the Group amounted to RMB105.321 billion, representing an increase of RMB56.207 billion as compared to the end of last year. Excluding the impact of the acquisition of OOIL, there was an increase of 31.82% as compared to the end of last year, of which 15 vessels under construction carried forward to fixed assets amounted to RMB13.129 billion during the current period.

16. **Intangible assets**

As at the end of September 2018, the balance of intangible assets of the Group amounted to RMB7.925 billion, representing an increase of RMB3.383 billion as compared to the end of last year, of which intangible assets increased by RMB3.401 billion due to the acquisition of OOIL.

17. **Goodwill**

As at the end of September 2018, the balance of goodwill of the Group amounted to RMB5.976 billion, representing an increase of RMB5.071 billion as compared to the end of last year, of which goodwill increased by RMB5.04 billion due to the acquisition of OOIL.

18. **Long-term deferred expenses**

As at the end of September 2018, the balance of long-term deferred expenses of the Group amounted to RMB47 million, representing an increase of RMB42 million as compared to the end of last year. Excluding the balance of OOIL as at the end of September, there was an increase of 7.65% as compared to the end of last year.

19. **Short-term borrowings**

As at the end of September 2018, the balance of short-term borrowings of the Group amounted to RMB46.204 billion, representing an increase of RMB35.264 billion as compared to the end of last year, of which loans increased by US\$4.451 billion for the acquisition of OOIL, equivalent to RMB30.62 billion.

20. **Notes payable and accounts payable**

As at the end of September 2018, the balance of notes payable and accounts payable amounted to RMB23.059 billion, representing an increase of RMB6.625 billion or 40.31% as compared to the end of last year. Excluding the balance of OOIL as at the end of September, there was an increase of 15.54% as compared to the end of last year.

21. **Advances from customers**

As at the end of September 2018, the balance of advances from customers of the Group amounted to RMB26 million, representing a decrease of RMB255 million or 90.73% as compared to the end of last year. This is due to the implementation of the Notice on Revising and Circulating General Corporate Financial Statement Formats 2018 (Cai Kuai [2018] No.15) by the Group since the 2018 interim report, pursuant to which the advances from customers originally presented under advances from customers that fall under the definition of contract liabilities was reclassified as contract liabilities.

22. **Contract liabilities**

As at the end of September 2018, the balance of contract liabilities of the Group amounted to RMB518 million as compared to the balance of nil as at the end of last year. This is due to the implementation of the Notice on Revising and Circulating General Corporate Financial Statement Formats 2018 (Cai Kuai [2018] No.15) by the Group since the 2018 interim report, pursuant to which the advances from customers originally presented under advances from customers that fall within the definition of contract liabilities was reclassified and presented as contract liabilities.

23. **Other payables**

As at the end of September 2018, the balance of other payables of the Group amounted to RMB6.529 billion, representing an increase of RMB2.27 billion or 55.30% as compared to the end of last year. Excluding the balance of OOIL as at the end of September, there was an increase of 19.69% as compared to the end of last year, among which: as at the end of September, accrued interest of relevant medium-term notes and long-term borrowings which had been accrued as scheduled but yet to be due per the agreed payment date increased by RMB463 million as compared to the end of last year, and the dividends declared but not yet distributed to minority shareholders increased by RMB245 million as compared to the end of last year.

24. **Liabilities held for sale**

As at the end of September 2018, the balance of liabilities held for sale of the Group amounted to RMB1.117 billion as compared to nil at the end of last year. Since OOIL had committed to sell Long Beach Container Terminal, according to “Accounting Standards for Business Enterprises No. 42 — Non-current Assets Held for Sale, Disposal Groups and Discontinued Operation”, liabilities related to Long Beach Terminal were transferred from the item of other related liabilities in the balance sheet to this item for presentation.

25. Non-current liabilities due within one year

As at the end of September 2018, the balance of non-current liabilities due within one year of the Group amounted to RMB15.797 billion, representing an increase of RMB7.17 billion or 83.12%. Excluding the balance of OOIL as at the end of September, there was an increase of 36.52% as compared to the end of last year, mainly due to an increase in long-term borrowings due within one year as compared to the end of last year.

26. Long-term borrowings

As at the end of September 2018, the balance of long-term borrowings of the Group amounted to RMB44.001 billion, representing an increase of RMB13.963 billion or 46.49% as compared to the end of last year. Excluding the balance of OOIL as at the end of September, there was an increase of 14.95% as compared to the end of last year.

27. Long-term payables

As at the end of September 2018, the balance of long-term payables of the Group amounted to RMB15.598 billion, representing an increase of RMB15.107 billion as compared to the end of the last year, of which finance leases payables for vessels and containers of OOIL amounted to RMB15.116 billion as at the end of September 2018.

28. Deferred income tax liabilities

As at the end of September 2018, the balance of deferred income tax liabilities of the Group amounted to RMB2.868 billion, representing an increase of RMB1.545 billion as compared to the end of last year, of which deferred income tax liabilities increased by RMB1.5 billion due to the acquisition of OOIL.

29. Other comprehensive income

As at the end of September 2018, the balance of other comprehensive income of the Group was a net loss of RMB882 million as compared to a net loss of RMB1.551 billion at the end of last year. As at the end of September 2018, financial assets measured at fair value through other comprehensive income of the Group represented a net decrease against the fair value at the end of last year, causing a decrease of RMB118 million in other comprehensive income. In addition, primarily due to the impact of appreciation in US dollar and Euro to RMB exchange rate, other comprehensive income - exchange differences on translation of financial statements in foreign currency increased by RMB813 million.

30. **Minority interests**

As at the end of September 2018, the balance of minority interests of the Group amounted to RMB32.656 billion, representing an increase of RMB9.615 billion as compared to the end of last year, of which minority interests increased by RMB8.563 billion upon completion of the acquisition of OOIL during the current period.

Income statement items:

1. **Total revenue from operations**

From January to September 2018, revenue from operations of the Group amounted to RMB82.13 billion, representing an increase of RMB14.531 billion or 21.50% as compared to the same period of last year, among which **revenue from container shipping and related business** amounted to RMB78.077 billion, representing an increase of RMB13.004 billion or 19.98% as compared to the same period of last year. Without taking into account the impact of the acquisition of OOIL during the current period, revenue from container shipping and related business of the Group from January to September 2018 amounted to RMB66.2 billion, representing an increase of RMB1.127 billion or 1.73% as compared to the same period of last year. **Revenue from terminal and related business** amounted to RMB4.954 billion, representing an increase of RMB1.976 billion or 66.36% as compared to the same period of last year. Without taking into account the impact of the acquisition of NOATUM Terminal and Zeebrugge Terminal during the fourth quarter of last year, revenue from terminal and related business amounted to RMB3.438 billion, representing an increase of RMB460 million or 15.45% as compared to the same period of last year.

2. **Operating costs**

From January to September 2018, the operating costs of the Group amounted to RMB76.121 billion, representing an increase of RMB14.347 billion or 23.22% as compared to the same period of last year, among which **container shipping and related business costs** amounted to RMB73.644 billion, representing an increase of RMB13.301 billion or 22.04% as compared to the same period of last year. Without taking into account the impact of acquisition of OOIL during the Reporting Period, **container shipping and related business costs** of the Group from January to September 2018 amounted to RMB63.235 billion, representing an increase of RMB2.892 billion or 4.79% as compared to the same period of last year. Terminal and related business costs amounted to RMB3.364 billion, representing an increase of RMB1.481 billion or 78.69% as compared to the

same period of last year. Without taking into account the impact of the acquisition of NOATUM Terminal and Zeebrugge Terminal during the fourth quarter of last year, terminal and related business costs increased by RMB245 million or 13% as compared to the same period of last year.

3. **Administration expenses**

From January to September 2018, the administration expenses of the Group amounted to RMB4.239 billion, representing an increase of RMB1.043 billion or 32.64% as compared to same period last year. Without taking into account the impact of the acquisition of OOIL, NOATUM and Zeebrugge Terminals, the administration expenses increased by RMB17 million as compared to the same period of last year.

4. **Finance costs**

From January to September 2018, the finance costs of the Group amounted to RMB1,947 million, representing an increase of RMB637 million or 48.68% as compared to the same period of last year, among which **interest expenses** amounted to RMB2.304 billion, representing an increase of RMB844 million as compared to the same period of last year. This was mainly due to an increase in the US dollar lending rate and an increase in the average loan balance during the current period as compared to the same period of last year. **Interest income** amounted to RMB342 million, representing an increase of RMB8 million as compared to the same period of last year. **Net exchange gain** amounted to RMB130 million as compared to net exchange loss of RMB107 million for the same period last year.

5. **Other income**

From January to September 2018, other income of the Group amounted to RMB258 million, representing an increase of RMB228 million as compared to the same period of last year. This is due to an increase in government subsidies related to normal activities as compared to the same period of last year.

6. **Investment income**

From January to September 2018, the investment of the Group amounted to RMB1.621 billion, representing a decrease of RMB1.773 billion as compared to the same period of last year. The major reasons for the decrease in investment income is a one-off income of RMB2.150 billion was generated from the acquisition of additional 16.82% of the equity interest in Qingdao Port

International Co., Ltd. by Shanghai China Shipping Terminal Development Co., Ltd., a subsidiary of COSCO SHIPPING Ports Limited, at a consideration of 20% of the equity interest in Qingdao Qianwan Container Terminal Co., Ltd. plus cash during the period.

Cash flow statement items:

1. Changes in cash and cash equivalents for the current period

From January to September 2018, the Group recorded a net increase of RMB8.566 billion or 33.28% in cash and cash equivalents.

2. Net cash flows from operations

During the period from January to September 2018, the net cash inflow from operating activities amounted to RMB4,474 million, representing a decrease of RMB731 million as compared to the same period of last year.

3. Net cash flows from investing activities

During the period from January to September 2018, the net cash outflow from investing activities of the Group amounted to RMB33.705 billion, representing an increase of RMB23.022 billion in net cash outflow as compared to the same period of last year, including the net cash outflow for making the offer to acquire OOIL, as well as the net cash outflows for the construction of container vessels and the expenses of purchasing containers.

4. Net cash flows from financing activities

During the period from January to September 2018, net cash inflow from financing activities of the Group amounted to RMB36.848 billion, representing an increase of RMB31.177 billion as compared to the same period of last year, among which net cash inflows from the borrowings for the acquisition of OOIL amounted to RMB30.62 billion.

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

Applicable Not applicable

1. The Company, through Faulkner Global Holdings Limited (“**Faulkner Global**”), its overseas wholly-owned subsidiary, and Shanghai Port Group (BVI) Development Co., Limited (“**Shanghai Port BVI**”) jointly made a cash offer to all shareholders of OOIL to acquire the issued shares of OOIL held by them (the “**Offer**”). The Offer is a pre-conditional voluntary general cash offer. The offer

price is HK\$78.67 per share. The Offer was considered and approved by the third meeting of the fifth session of the board of directors of the Company held on 7 July 2017 and the second extraordinary general meeting of 2017 of the Company held on 16 October 2017. On 7 August 2018, Faulkner Global and Shanghai Port BVI completed the payment of the relevant consideration for the Offer. Therefore, the Offer was completed.

As at the date of this report, Faulkner Global held 75% of all issued shares of OOIL.

Upon the completion of the Offer, the Company emerged as the third largest container liner company in the world in terms of fleet size, which further strengthened the competitive strength of the Company in the industry. COSCO SHIPPING Lines Co., Ltd., COSCO SHIPPING Ports Limited and OOIL, subsidiaries of the Company, will achieve strong synergies in business operation. In respect of container shipping business, the Company can provide a full range of container transportation services to customers around the world with more abundant global resources, more reasonable operational network, more comprehensive geographical coverage, and more flexible global capacity control. Meanwhile, in terms of terminal business, the Company can promote the growth and global layout of its terminal business with its larger size of fleet, realize strategic coordination of container shipping routes and terminal layouts, and effectively enhance the overall competitiveness of the Company.

For details of the Offer, please refer to the “Material Asset Acquisition Report (Draft) of COSCO SHIPPING Holdings Co., Ltd. (Amendment)” dated 26 July 2017, the “Implementation Report on Material Asset Acquisition of COSCO SHIPPING Holdings Co., Ltd.” dated 9 August 2018 and relevant announcements of the Company published on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the announcements of the Company published on the website of the Hong Kong Stock Exchange including but not limited to, the announcements dated 7 July 2017, 29 June 2018, 13 July 2018 and 27 July 2018, the composite document dated 6 July 2018 and the circular of the Company dated 25 September 2017.

2. After consideration and approval by the fifth meeting of the fifth session of the board of directors of the Company, and after approval by the third extraordinary general meeting of 2017, the first A share class meeting for 2017 and the first H share class meeting of 2017 of the Company, the Company proposed the non-public issuance of a maximum of 2,043,254,870 A shares (the “**Non-public Issuance**”) to not more than 10 specific investors (including China COSCO SHIPPING Corporation Limited) at an issue price not lower than 90% of the

average trading price of the Company's A shares during the 20 trading days immediately preceding the price determination date and not less than the latest audited net asset value per share of the Company at the time of issuance, which would raise gross proceeds of up to RMB12,900,000,000. The net proceeds after deducting issuance expenses will be used for the payment of the consideration for container vessels under construction. The Non-public Issuance was approved by the Issuance Approval Committee of the China Securities Regulatory Commission (the "CSRC") on 26 June 2018 and the Company received the written approval from the CSRC on 20 August 2018.

The Company will perform its obligation of information disclosure timely based on progress of matters relating to the Non-public Issuance according to the provisions and requirements of relevant laws and regulations. Investors are advised to pay attention to investment risks. For details, please refer to the relevant announcements of the Company dated 30 October 2017, 15 December 2017, 18 December 2017, 29 December 2017, 12 February 2018, 5 March 2018, 11 June 2018, 26 June 2018, 20 August 2018 and 26 September 2018 disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the announcements of the Company dated 30 October 2017, 15 December 2017, 5 March 2018, 26 June 2018, 20 August 2018 and 26 September 2018 and the circular of the Company dated 1 December 2017 published on the website of the Hong Kong Stock Exchange.

3. After consideration and approval by the fourteenth meeting of the fifth session of the board of directors of the Company, the seventh meeting of the fifth session of supervisory committee of the Company and the second extraordinary general meeting of 2018 of the Company, Company proposed to apply to the National Association of Financial Market Institutional Investors for the registration of the medium-term notes in an amount of RMB5 billion and the short-term commercial papers RMB10 billion and to issue the notes and papers at an appropriate time and authorize to any director of the Company. The proceeds will be primarily used for the repayment of the seven-year medium-term notes in an amount of RMB4 billion due on 29 November 2018.

For details, please see the Announcement on the Proposed Registration and Issuance of Medium-term Notes and Short-term Commercial Papers by COSCO SHIPPING Holdings disclosed on 13 July 2018 and the Announcement on the Resolutions Passed at the Second Extraordinary General Meeting of 2018 of COSCO SHIPPING Holdings on 30 August 2018 on the website of the Shanghai Stock Exchange and the announcements of the Company dated 13 July 2018 and 30 August 2018 published on the website of the Hong Kong Stock Exchange.

4. To further improve the corporate governance structure, the ninth meeting of the fifth session of the board of directors of the Company and the 2017 annual general meeting of the Company considered and approved the amendments to certain provisions of the articles of association of the Company and the Rules of Procedures for Shareholders General Meeting according to relevant requirements of relevant PRC regulations. The Company has completed the filing procedures for the revised Articles of Association of the Company with the Market and Quality Regulatory Bureau of Tianjin Free Trade Zone. For details, please refer to the relevant announcements of the Company dated 29 March 2018, 8 June 2018 and 8 October 2018 disclosed on the website of the Shanghai Stock Exchange and the announcements of the Company dated 29 March 2018 and 8 June 2018 and the circular of the Company dated 18 May 2018 published on the website of the Hong Kong Stock Exchange.

The 15th meeting of the fifth session of the board of directors of the Company and the second extraordinary general meeting of 2018 of the Company considered and approved adjustment to the business scope of COSCO SHIPPING Holdings and the corresponding amendments to the Articles of Association of the Company. For details, please refer to the relevant announcements of the Company dated 27 July 2018 and 30 August 2018 disclosed on the website of the Shanghai Stock Exchange and the announcements of the Company dated 27 July 2018 and 30 August 2018 published on the website of the Hong Kong Stock Exchange.

5. Changes in directors and senior management during the Reporting Period

- (1) At the fourteenth meeting of the fifth session of the board of directors of the Company held on 13 July 2018, it was agreed that Mr. Xu Lirong was to be the candidate for an executive director and the chairman of the fifth session of the board of directors of COSCO SHIPPING Holdings and the “Proposal of Election of Mr. Xu Lirong as an Executive Director of the Fifth Session of the Board of Directors of COSCO SHIPPING Holdings” was to be submitted for consideration by the second extraordinary general meeting of 2018 of the Company. It was agreed that Mr. Ma Jianhua resigned as a non-executive director of the fifth session of the board of directors of the Company due to the change of job arrangement.
- (2) At the fifteenth meeting of the fifth session of the board of directors of the Company held on 27 July 2018, the proposal in relation to the adjustment of senior management of COSCO SHIPPING Holdings was considered and approved. The resignation of Mr. Ma Jianhua and Mr. Qiu Jinguang as deputy general managers of the Company due to the change of job arrangement and the

resignation of Mr. Deng Huangjun as the chief financial officer of the Company due to the change of job arrangement were accepted. The appointment of Ms. Chen Xiang, Mr. Yao Erxin, Mr. Zhu Jiandong and Mr. Stephen Ng as deputy general managers of the Company, the appointment of Mr. Zhang Mingwen as the chief financial officer of the Company and the appointment of Mr. Steve Siu and Mr. Chen Shuai as deputy general managers of the Company were approved.

- (3) At the second extraordinary general meeting of 2018 and the sixteenth meeting of the fifth session of the board of directors of the Company held on 30 August 2018, the resolutions approving Mr. Xu Lirong as an executive director of the fifth session of the board of directors of the Company and the chairman of the fifth session of the board of directors of the Company was passed, respectively.

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

3.5 Operating data of business segments

Container shipping business

For the third quarter ended 30 September 2018, the shipping volume of the Group's container shipping business reached 6,733,276 TEUs, representing an increase of 43.80% as compared to the same period of last year. For the first three quarters, the total shipping volume of container routes was 16,022,781 TEUs, representing an increase of 22.41% as compared to the same period of last year.

As at 30 September 2018, the fleet operated by the Group included 498 container vessels, with a total capacity of 2,796,702 TEUs. Meanwhile, the Group had 13 orders for container vessels, representing a total of 233,850 TEUs.

The Group's shipping volume (TEUs)

	The third quarter			First three quarters accumulated		
	July to September 2018	July to September 2017	Change as compared to same period %	January to September 2018	January to September 2017	Change as compared to same period %
Trans-Pacific	1,224,046	717,356	70.63	2,680,514	2,089,206	28.30
Asia-Europe (including Mediterranean)	1,177,491	743,545	58.36	2,682,449	2,286,129	17.34
Intra-Asia (including Australia)	2,002,796	1,119,451	78.91	4,308,783	3,124,731	37.89
Other international markets (including Atlantic Ocean)	625,026	369,092	69.34	1,440,766	896,097	60.78
China	<u>1,703,917</u>	<u>1,732,815</u>	<u>-1.67</u>	<u>4,910,269</u>	<u>4,692,977</u>	<u>4.63</u>
Total	<u>6,733,276</u>	<u>4,682,259</u>	<u>43.80</u>	<u>16,022,781</u>	<u>13,089,140</u>	<u>22.41</u>

Of which: the shipping volume (TEUs) of COSCO SHIPPING Lines Co., Ltd., a subsidiary of the Group, is set out below:

	The third quarter			First three quarters accumulated		
	July to September 2018	July to September 2017	Change as compared to corresponding period (%)	January to September 2018	January to September 2017	Change as compared to corresponding period (%)
Trans-Pacific	714,610	717,356	-0.38	2,171,078	2,089,206	3.92
Asia-Europe (including Mediterranean)	848,705	743,545	14.14	2,353,663	2,286,129	2.95
Intra-Asia (including Australia)	1,239,945	1,119,451	10.76	3,545,932	3,124,731	13.48
Other international markets (including Atlantic Ocean)	515,905	369,092	39.78	1,331,645	896,097	48.61
China	<u>1,703,917</u>	<u>1,732,815</u>	<u>-1.67</u>	<u>4,910,269</u>	<u>4,692,977</u>	<u>4.63</u>
Total	<u>5,023,082</u>	<u>4,682,259</u>	<u>7.28</u>	<u>14,312,587</u>	<u>13,089,140</u>	<u>9.35</u>

Revenue of shipping routes (RMB'000)

	The third quarter			First three quarters accumulated		
	July to September 2018	July to September 2017	Change as compared to corresponding period (%)	January to September 2018	January to September 2017	Change as compared to corresponding period (%)
Trans-Pacific	10,397,998	6,035,018	72.29	21,293,028	16,638,252	27.98
Asia-Europe (including Mediterranean)	7,136,940	4,857,357	46.93	15,538,929	14,566,628	6.67
Intra-Asia (including Australia)	8,060,617	4,375,970	84.20	16,677,757	11,932,260	39.77
Other international markets (including Atlantic Ocean)	4,533,238	2,892,268	56.74	9,582,655	6,785,893	41.21
China	<u>3,044,920</u>	<u>2,684,931</u>	<u>13.41</u>	<u>8,548,988</u>	<u>7,824,598</u>	<u>9.26</u>
Total	<u>33,173,713</u>	<u>20,845,544</u>	<u>59.14</u>	<u>71,641,357</u>	<u>57,747,631</u>	<u>24.06</u>

Of which: the revenue (RMB'000) of shipping routes of COSCO SHIPPING Lines Co., Ltd., a subsidiary of the Group, is set out below:

	The third quarter			First three quarters accumulated		
	July to September 2018	July to September 2017	Change as compared to corresponding period (%)	January to September 2018	January to September 2017	Change as compared to corresponding period (%)
Trans-Pacific	5,981,586	6,035,018	-0.89	16,876,616	16,638,252	1.43
Asia-Europe (including Mediterranean)	5,065,466	4,857,357	4.28	13,467,455	14,566,628	-7.55
Intra-Asia (including Australia)	4,891,032	4,375,970	11.77	13,508,172	11,932,260	13.21
Other international markets (including Atlantic Ocean)	3,636,265	2,892,268	25.72	8,685,682	6,785,893	28.00
China	<u>3,044,920</u>	<u>2,684,931</u>	<u>13.41</u>	<u>8,548,988</u>	<u>7,824,598</u>	<u>9.26</u>
Total	<u>22,619,269</u>	<u>20,845,544</u>	<u>8.51</u>	<u>61,086,913</u>	<u>57,747,631</u>	<u>5.78</u>

Note:

Preceding the third quarterly report for 2018, the Group disclosed its shipping volume in terms of loaded container volume while OOIL disclosed its shipping volume in terms of the container volume as per bill of lading. As OOIL has been consolidated into the financial statements of the Group from 1 July 2018, the shipping volume of the Group disclosed in the third quarterly report for 2018 included the container volume completed by OOIL from July to September 2018. In order to make the shipping volume consistent in disclosure, the Group decided to disclose the shipping volume completed in terms of the container volume as per bill of lading since the third quarterly report for 2018, while the measurement for disclosing shipping volume during the comparative period was adjusted simultaneously.

Terminal business

During the third quarter ended 30 September 2018, the total throughput of the Group's container terminal business reached 30,811,695 TEUs, representing an increase of 11.05% as compared to the same quarter of last year. The accumulated total throughput of container terminal business for the first three quarters reached 87,518,295 TEUs, representing an increase of 20.59% as compared to the same period of last year.

Throughput (TEUs)	The third quarter			First three quarters accumulated		
	July to September 2018	July to September 2017	Change as compared to same period	January to September 2018	January to September 2017	Change as compared to same period
Bohai Rim	10,187,107	8,900,587	14.45	28,863,591	19,580,427	47.41
Yangtze River Delta	5,113,222	4,962,336	3.04	14,772,997	14,721,725	0.35
Southeast coast and other regions	1,446,469	1,350,244	7.13	4,258,965	3,679,173	15.76
Pearl River Delta	7,320,160	7,478,424	-2.12	20,085,068	20,048,846	0.18
Southwest coast	341,068	365,988	-6.81	984,667	977,333	0.75
Overseas	<u>6,403,669</u>	<u>4,687,195</u>	<u>36.62</u>	<u>18,553,007</u>	<u>13,568,137</u>	<u>36.74</u>
Total	<u>30,811,695</u>	<u>27,744,774</u>	<u>11.05</u>	<u>87,518,295</u>	<u>72,575,641</u>	<u>20.59</u>
Of which: controlled terminals	5,793,569	4,355,405	33.02	16,657,138	12,401,872	34.31
Non-controlled terminals	25,018,126	23,389,369	6.96	70,861,157	60,173,769	17.76

Note:

In May 2017, Shanghai China Shipping Terminal Development Co., Ltd., a subsidiary of COSCO SHIPPING Ports Limited, acquired additional 16.82% equity interest in Qingdao Port International Co., Ltd., at a consideration of 20% equity interest in Qingdao Qianwan Container Terminal Co., Ltd. plus cash. As disclosed in the third quarterly report for 2017, the total throughput and the throughput of non-controlled terminals of January to September 2017 and the same period of the previous year (January to September 2016) excluded the throughput of Qingdao Qianwan Container Terminal Co., Ltd. and Qingdao Port International Co., Ltd. In the third quarterly report for 2018, the total throughput and the throughput of non-controlled terminals of the same period of the previous year (January to September 2017) did not exclude the throughput completed by Qingdao Port International Co., Ltd. from May to September 2017 after the acquisition of additional equity interest in Qingdao Port International Co., Ltd. by the Group.

Company name	COSCO SHIPPING Holdings Co., Ltd.
Legal representative	Xu Lirong
Date	30 October 2018

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2018

Prepared by COSCO SHIPPING Holdings Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Balance at the end of the period	Balance at the end of last year
Current assets:		
Monetary assets	35,073,260,490.00	26,089,745,614.14
Balance with clearing companies		
Placement with banks		
Held-for-trading financial assets	2,765,582,571.16	
Derivative financial assets	11,935,898.36	
Notes receivable and accounts receivable	10,449,376,164.30	6,493,777,321.22
Prepayments	2,772,846,436.13	1,684,102,227.12
Premium receivables		
Receivables from reinsurers		
Reinsurance contracts reserve		
deposits receivables		
Other receivables	2,319,853,878.52	1,439,120,899.29
Financial assets purchased under resale agreements		
Inventories	3,917,600,841.86	2,330,220,764.04
Contract assets	209,735,839.77	
Assets classified as held for sale	4,728,347,074.07	
Non-current assets due within one year	1,287,964,118.51	506,323,363.88
Other current assets	813,941,719.09	898,904,637.03
Total current assets	64,350,445,031.77	39,442,194,826.72

Item	Balance at the end of the period	Balance at the end of last year
Non-current assets:		
Loans and advances to customers		
Debt investment	1,272,881,127.65	
Other debt investment		
Available-for-sale financial assets		2,366,831,803.56
Long-term receivables	1,324,177,598.81	1,046,846,701.06
Long-term equity investments	28,325,162,046.39	25,862,040,316.10
Investment in other equity instruments	2,296,148,999.00	
Other non-current financial assets		
Investment properties	2,317,117,870.08	192,042,436.77
Fixed assets	105,321,039,580.48	49,114,445,221.95
Construction-in-progress	7,166,097,202.99	8,279,573,675.05
Biological assets for production use		
Oil and gas assets		
Intangible assets	7,924,693,595.30	4,541,440,860.84
Development expenditure	2,973,682.20	1,173,608.95
Goodwill	5,975,828,431.76	905,018,094.30
Long-term deferred expenses	47,306,980.51	5,695,591.38
Deferred income tax assets	1,248,009,849.39	1,158,769,569.23
Other non-current assets	300,512,967.45	273,932,072.42
Total non-current assets	163,521,949,932.01	93,747,809,951.61
Total assets	227,872,394,963.78	133,190,004,778.33
Current liabilities:		
Short-term borrowings	46,203,698,282.12	10,939,801,787.26
Loans from central bank		
Deposits and amounts due to banks		
Placement from banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable and accounts payable	23,058,585,159.72	16,433,606,141.31
Advance from customers	26,107,428.40	281,503,389.99
Contract liabilities	518,025,146.38	
Financial assets sold under agreements to repurchase		

Item	Balance at the end of the period	Balance at the end of last year
Handling charges and commission payables		
Salaries payable	1,627,252,323.26	2,067,178,129.52
Tax payables	946,027,914.87	883,986,595.67
Other payables	6,529,476,674.08	4,259,258,263.45
Amounts due to reinsurers		
Insurance deposits payable		
Securities trading fees		
Securities underwriting fees		
Held-to-sale liabilities	1,117,002,551.39	
Non-current liabilities due within one year	15,796,974,799.61	8,626,659,533.63
Other current liabilities		0.00
Total current liabilities	95,823,150,279.83	43,491,993,840.83
Non-current liabilities:		
Long-term borrowings	44,000,824,503.41	30,037,747,029.82
Debentures payable	13,852,060,238.36	13,385,249,325.76
Of which: Preference shares		
Perpetual bonds		
Long-term payables	15,598,348,014.83	491,764,097.95
Long-term employee benefits payable	303,907,377.66	303,830,726.31
Estimated liabilities	108,056,153.16	115,427,397.97
Deferred income	282,348,095.67	283,053,376.63
Deferred income tax liabilities	2,868,248,614.03	1,314,003,093.15
Other non-current liabilities	49,524,979.36	56,355,981.92
Total non-current liabilities	77,063,317,976.48	45,987,431,029.51
Total liabilities	172,886,468,256.31	89,479,424,870.34

Item	Balance at the end of the period	Balance at the end of last year
Owners' equity (or shareholders' equity)		
Paid in capital (or share capital)	10,216,274,357.00	10,216,274,357.00
Other equity instruments		
Of which: Preferential shares		
Perpetual bonds		
Capital reserves	27,787,227,607.63	27,718,636,256.46
Less: Treasury shares		
Other comprehensive income	-881,763,256.17	-1,550,693,855.71
Special reserves		
Surplus reserves	851,619,535.66	851,619,535.66
Provision for ordinary risks		
Undistributed profit	-15,643,419,269.16	-16,566,550,123.11
Total equity attributable to owners of the parent company	22,329,938,974.96	20,669,286,170.30
Minority interests	32,655,987,732.51	23,041,293,737.69
Total owners' equity (or shareholders' equity)	54,985,926,707.47	43,710,579,907.99
Total liabilities and owners' equity (or shareholders' equity)	227,872,394,963.78	133,190,004,778.33

Legal representative:	Person in charge of accounting:	Person in charge of the accounting department:
Xu Lirong	Zhang Mingwen	Xu Hongwei

Balance Sheet of the Parent Company

30 September 2018

Prepared by COSCO SHIPPING Holdings Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Balance at the end of the period	Balance at the end of last year
Current assets:		
Monetary assets	383,759,274.73	1,124,628,856.95
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable and accounts receivable		
Prepayments		157,447.50
Other receivables	21,231,013.27	72,557,389.40
Inventories		
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	206,397,825.73	3,921,474.75
Total current assets	611,388,113.73	1,201,265,168.60
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables	4,992,736,287.88	4,981,419,537.85
Long-term equity investments	34,350,611,774.87	33,965,891,774.87
Investment in other equity instruments		
Other non-current financial assets		
Investment properties		
Fixed assets	435,637.98	647,863.45

Item	Balance at the end of the period	Balance at the end of last year
Construction-in-progress		
Biological assets for production use		
Oil and gas assets		
Intangible assets	3,098,311.31	4,078,150.93
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	39,346,882,012.04	38,952,037,327.10
Total assets	39,958,270,125.77	40,153,302,495.70
Current liabilities:		
Short-term borrowings	1,751,230,000.00	1,751,230,000.00
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable and accounts payable		
Advance from customers		
Contract liabilities		
Salaries payable	37,977,472.37	45,957,666.12
Tax payables	472,007,658.19	472,073,569.75
Other payables	441,693,652.56	328,826,440.01
Held-to-sale liabilities		
Non-current liabilities due within one year	3,998,000,000.00	3,989,000,000.00
Other current liabilities		
Total current liabilities	6,700,908,783.12	6,587,087,675.88

Item	Balance at the end of the period	Balance at the end of last year
Non-current liabilities:		
Long-term borrowings		
Debentures payable	4,971,079,417.00	4,959,762,666.97
Of which: Preferential shares		
Perpetual bonds		
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	4,971,079,417.00	4,959,762,666.97
Total liabilities	11,671,988,200.12	11,546,850,342.85
Owners' equity (or shareholders' equity)		
Paid in capital (or share capital)	10,216,274,357.00	10,216,274,357.00
Other equity instruments		
Of which: Preferential 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	-21,903,917,102.29	-21,583,746,875.09
Total owners' equity (or shareholders' equity)	28,286,281,925.65	28,606,452,152.85
Total liabilities and owners' equity (or shareholders' equity)	39,958,270,125.77	40,153,302,495.70

Legal representative:	Person in charge of accounting:	Person in charge of the accounting department:
Xu Lirong	Zhang Mingwen	Xu Hongwei

Consolidated Income Statement

January to September 2018

Prepared by COSCO SHIPPING Holdings Co., Ltd.

		<i>Unit: Yuan</i>	<i>Currency: RMB</i>	<i>Audit type: Unaudited</i>	
Item		Amount for the current period (July to September)	Amount for the preceding period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
1.	Total revenue from operations	37,054,863,196.63	24,130,096,374.82	82,130,067,908.78	67,598,753,056.00
	Including: Operating revenue	37,054,863,196.63	24,130,096,374.82	82,130,067,908.78	67,598,753,056.00
	Interest income				
	Premium earned				
	Handling fee and commission income				
2.	Total costs from operations	37,260,354,878.60	23,795,364,654.01	82,498,687,123.17	66,455,286,732.85
	Including: Operating costs	34,012,727,808.96	22,158,938,841.09	76,121,467,806.70	61,774,425,508.56
	Interest expenses				
	Handling fee and commission income				
	Surrenders				
	Net claims expenses				
	Net provisions for insurance contracts reserve				
	Insurance policy dividend paid				
	Reinsurance costs				
	Tax and surcharges	58,372,692.40	38,072,005.22	139,349,743.49	120,793,073.47
	Selling expenses	13,484,708.17	12,945,349.38	34,733,479.92	38,819,654.93
	Administration expenses	2,227,349,256.57	1,218,812,249.85	4,239,328,334.49	3,196,178,420.62
	Research & development	-136,703.51	1,195,551.84	2,686,085.82	2,931,106.53
	Finance costs	951,688,745.31	360,514,143.13	1,947,094,141.61	1,309,616,331.16
	Impairment loss on assets	636,794.89	4,886,513.50	942,785.32	12,522,637.58
	Credit impairment losses	-3,768,424.19		13,084,745.82	
	Add: Other gains	158,728,279.26	27,339,901.79	258,290,968.47	30,174,746.26
	Investment income (Loss denoted with "-")	592,281,963.15	509,172,219.90	1,620,898,244.75	3,393,795,612.16
	Including: Investment income from associated companies and joint ventures	516,705,502.49	508,198,344.15	1,534,191,075.37	1,232,049,438.57
	Income from net exposure to hedging (Loss denoted with "-")				
	Gain on fair value change (Loss denoted with "-")	-2,383,445.77		-2,383,445.77	
	Gains on disposal of assets (Loss denoted with "-")	56,478,003.89		56,798,691.94	
	Exchange gains (Loss denoted with "-")	0.00			

Item	Amount for the current period (July to September)	Amount for the preceding period (July to September)	Amount from the beginning of the	Amount from the beginning of the
			year to the end of the reporting period of the previous year (January to September)	year to the end of the Reporting Period (January to September)
3. Operating profit (Loss denoted with “-”)	599,613,118.56	871,243,842.50	1,564,985,245.00	4,567,436,681.57
Add: Non-operating income	967,222,513.85	544,344,132.26	1,086,842,023.01	936,999,360.10
Less: Non-operating expenses	9,349,855.20	95,629,677.46	17,560,836.16	106,006,548.18
4. Total profit (Loss denoted with “-”)	1,557,485,777.21	1,319,958,297.30	2,634,266,431.85	5,398,429,493.49
Less: Income tax expenses	197,033,236.09	154,800,916.25	504,676,164.91	831,912,015.30
5. Net profit (Loss denoted with “-”)	1,360,452,541.12	1,165,157,381.05	2,129,590,266.94	4,566,517,478.19
(1) Classified by sustainability				
1. Net profit from continuing operations (Loss denoted with “-”)	1,154,794,583.54	1,165,157,381.05	1,923,932,309.36	4,566,517,478.19
2. Net profit from discontinued operations (Loss denoted with “-”)	205,657,957.58		205,657,957.58	
(2) Classified by ownership				
1. Net profit attributable to shareholders of the parent company	821,790,424.16	872,409,734.47	862,585,991.64	2,735,876,568.43
2. Minority interests	538,662,116.96	292,747,646.58	1,267,004,275.30	1,830,640,909.76
6. Other comprehensive income after tax, net	1,064,375,197.58	-744,755,319.13	1,035,237,701.10	131,665,635.45
Other comprehensive income after tax attributable to owners of the parent company, net	622,392,166.27	-487,222,813.73	680,915,419.75	-247,348,665.15
(1) Other comprehensive income that may not be subsequently reclassified into profit or loss	-73,485,131.94		-136,673,608.68	-15,040,000.00
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans	0.00		-6,480,000.00	-15,040,000.00
2. Share of other comprehensive income of investee that may not be subsequently reclassified into profit or loss under equity method	-61,598.94		-12,620,626.27	
3. Changes in fair value of other equity instruments investment	-73,423,533.00		-117,572,982.41	
4. Changes in fair value of the company’s own credit risk	0.00			
(2) Other comprehensive income that will be subsequently reclassified into profit or loss	695,877,298.21	-487,222,813.73	817,589,028.43	-232,308,665.15
1. Share of other comprehensive income of investee that will be subsequently reclassified into profit or loss under equity method	1,810,186.44	18,553,181.67	2,724,518.54	18,526,074.35
2. Changes in fair value of other equity instruments investment				
3. The amount of financial assets reclassified into other comprehensive income				
4. Credit impairment provisions for other debt investment				
5. Reserves for cash flows hedges	1,264,003.00		889,802.81	

Item	Amount for the current period (July to September)	Amount for the preceding period (July to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)	Amount from the beginning of the year to the end of the reporting period of the Reporting Period (January to September)
6. Exchange difference on translation of financial statements in foreign currency	692,803,108.77	-340,707,980.01	813,974,707.08	-653,789,288.71
7. Profit or loss from changes in fair value of available-for-sale financial assets		-165,068,015.39		402,954,549.21
Other comprehensive income after tax attributable to minority shareholders, net	441,983,031.31	-257,532,505.40	354,322,281.35	379,014,300.60
7. Total consolidated income	2,424,827,738.70	420,402,061.92	3,164,827,968.04	4,698,183,113.64
Total consolidated income attributable to equity holders of the parent company	1,444,182,590.43	385,186,920.74	1,543,501,411.39	2,488,527,903.28
Total consolidated income attributable to minority shareholders	980,645,148.27	35,215,141.18	1,621,326,556.65	2,209,655,210.36
8. Earnings per share				
(1) Basic earnings per share (RMB/share)	0.08	0.09	0.08	0.27
(2) Diluted earnings per share (RMB/share)	0.08	0.09	0.08	0.27

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 RMB0.00.

Legal representative:	Person in charge of accounting:	Person in charge of the accounting department:
Xu Lirong	Zhang Mingwen	Xu Hongwei

Income Statement of the Parent Company

January to September 2018

Prepared by COSCO SHIPPING Holdings Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the current period (July to September)	Amount for the preceding period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
1. Total revenue				
Less: Operating costs				
Tax and surcharges	-331,514.34	-51.40	16,677.60	7,654.20
Selling expenses				
Administration expenses	11,518,993.33	159,979,597.61	30,142,610.79	180,297,289.20
Research & development				
Finance costs	98,160,679.88	91,062,999.38	290,452,188.33	265,028,064.67
Impairment loss on assets				
Credit impairment losses				
Add: Other gains				
Investment income (Loss denoted with "-")		13,505,323.11		32,399,003.00
Including: Investment income from associated companies and joint ventures				
Income from net exposure to hedging (Loss denoted with "-")				
Gain on fair value change (Loss denoted with "-")				
Gains on disposal of assets (Loss denoted with "-")				
Other gains				
2. Operating profit (Loss denoted with "-")	-109,348,158.87	-237,537,222.48	-320,611,476.72	-412,934,005.07
Add: Non-operating income	427,945.93	0.00	441,249.52	0.00
Less: Non-operating expenses				
3. Total profit (Loss denoted with "-")	-108,920,212.94	-237,537,222.48	-320,170,227.20	-412,934,005.07
Less: Income tax expenses				
4. Net profit (Loss denoted with "-")	-108,920,212.94	-237,537,222.48	-320,170,227.20	-412,934,005.07
(1) Net profit from continuing operations (Loss denoted with "-")	-108,920,212.94	-237,537,222.48	-320,170,227.20	-412,934,005.07
(2) Net profit from discontinued operations (Loss denoted with "-")				

Item	Amount for the current period (July to September)	Amount for the preceding period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
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				
3. Changes in fair value of other equity instruments investment				
4. Changes in fair value of the company's own credit risk				
(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. Changes in fair value of other equity instruments investment				
3. The amount of financial assets reclassified into other comprehensive income				
4. Credit impairment provisions for other debt investment				
5. Reserves for cash flows hedges				
6. Exchange difference on translation of financial statements in foreign Currency				
6. Total consolidated income	-108,920,212.94	-237,537,222.48	-320,170,227.20	-412,934,005.07
7. Earnings per share				
(1) Basic earnings per share (RMB/share)				
(2) Diluted earnings per share (RMB/share)				

Legal representative:

Xu Lirong

Person in charge
of accounting:
Zhang Mingwen

Person in charge
of the accounting department:
Xu Hongwei

Consolidated Statement of Cash Flows

January to September 2018

Prepared by COSCO SHIPPING Holdings Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
1. Cash flow generated from operating activities:		
Cash from sale of products and provision of services	80,680,202,098.78	67,155,891,941.77
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	1,083,163,039.68	838,906,702.45

Item	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
Other cash from operating activities	6,122,617,856.46	5,012,095,388.49
Cash inflow from operating activities - subtotal	87,885,982,994.92	73,006,894,032.71
Cash paid for purchase of products and services	69,726,919,691.60	58,200,426,946.40
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	6,852,114,215.89	4,543,435,572.36
Cash paid for various taxes	1,060,055,747.01	1,279,571,528.48
Cash paid for other operating activities	5,772,803,660.09	3,778,729,546.03
Cash outflow from operating activities - subtotal	83,411,893,314.59	67,802,163,593.27
Net cash flow generated from operating activities	4,474,089,680.33	5,204,730,439.44
2. Cash flow generated from investment activities:		
Cash from recovery of investments	77,293,054.37	25,819,500.00
Cash from investment income	1,059,826,120.54	665,391,252.08

Item	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	113,690,289.86	61,121,225.68
Net cash received from disposal of subsidiaries and other business units	76,411,500.90	0.00
Cash received from other investment activities	248,703,534.39	3,648,396.56
Cash inflow from investment activities - subtotal	1,575,924,500.06	755,980,374.32
Cash paid for acquisition and installation of fixed assets, intangible assets and other long-term assets	14,239,529,279.54	8,240,760,043.00
Cash paid for investments	368,657,374.34	3,156,538,695.42
Net increase in secured loans		
Net cash paid for acquiring subsidiaries and other operating entities	20,672,465,809.34	
Cash paid for other investment activities	85,997.42	41,847,111.63
Cash outflow from investment activities - subtotal	35,280,738,460.64	11,439,145,850.05
Net cash generated from investment activities	-33,704,813,960.58	-10,683,165,475.73
3. Cash flow generated from financing activities:		
Cash received from investments	52,931,098.08	681,149,000.14
Including: Cash received by subsidiaries from investment by minority shareholders	52,931,098.08	681,149,000.14

Item	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
Cash received from borrowings	59,941,932,190.15	18,726,720,619.98
Cash received from issue of debenture		
Cash received from other financing activities	36,608,395.64	79,093,970.20
Cash inflow from financing activities subtotal	60,031,471,683.87	19,486,963,590.32
Cash paid for repayment of indebtedness	20,704,699,360.84	12,067,537,786.92
Cash paid for distribution of dividends, profit or interest	2,256,794,834.89	1,485,938,003.40
Including: Dividends and profit distributed to minority shareholders by subsidiaries	131,711,013.99	63,159,338.67
Cash paid for other financing activities	222,348,927.39	263,120,827.12
Cash outflow from financing activities subtotal	23,183,843,123.12	13,816,596,617.44
Net cash flow generated from financing activities	36,847,628,560.75	5,670,366,972.88
4. Effects of changes in exchange rates on cash and cash equivalents	948,869,276.89	-821,035,407.13

Item	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
5. Net increase in cash and cash equivalents	8,565,773,557.39	-629,103,470.54
Add: Balance of cash and cash equivalents at the beginning of the period	25,738,525,700.19	32,188,572,012.16
6. Balance of cash and cash equivalents at the end of the period	34,304,299,257.58	31,559,468,541.62

Legal representative:	Person in charge of accounting:	Person in charge of the accounting department:
Xu Lirong	Zhang Mingwen	Xu Hongwei

Statement of Cash Flows of the Parent Company

January to September 2018

Prepared by COSCO SHIPPING Holdings Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount from the beginning of the year to the end of the reporting period the Reporting Period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
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	20,221,691.74	16,864,223.83
Cash inflow from operating activities subtotal	20,221,691.74	16,864,223.83
Cash paid for purchase of products and services		
Cash paid to and for employees	21,906,391.19	17,040,318.91
Cash paid for various taxes	16,677.60	7,654.20
Cash paid for other operating activities	62,444,671.28	38,098,632.81
Cash outflow from operating activities subtotal	84,367,740.07	55,146,605.92
Net cash flow generated from operating activities	-64,146,048.33	-38,282,382.09
2. Cash flow generated from investment activities:		
Cash from recovery of investments		
Cash from investment income	1,888,888.89	31,140,436.89
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	435,120.00	

Item	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investment activities	217,510,875.00	217,510,875.00
Cash inflow from investment activities subtotal	219,834,883.89	248,651,311.89
Cash paid for acquisition and installation of fixed assets, intangible assets and other long term assets	38,950.00	212,533.00
Cash paid for investments	384,784,178.00	
Net cash paid for acquiring subsidiaries and other operating entities		
Cash paid for other investment activities	200,000,000.00	1,103,400,000.00
Cash outflow from investment activities subtotal	584,823,128.00	1,103,612,533.00
Net cash generated from investment activities	-364,988,244.11	-854,961,221.11
3. Cash flow generated from financing activities:		
Cash received from investments		
Cash received from borrowings		803,400,000.00
Cash received from issuance of bonds		
Cash received from other financing activities		
Cash inflow from financing activities — subtotal		803,400,000.00
Cash paid for repayment of indebtedness		

Item	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
Cash paid for distribution of dividends, profit or interest	314,764,648.00	287,256,274.00
Cash paid for other financing activities	73,351.16	36,098.28
Cash outflow from financing activities subtotal	314,837,999.16	287,292,372.28
Net cash flow generated from financing activities	-314,837,999.16	516,107,627.72
4. Effects of changes in exchange rates on cash and cash equivalents	3,102,709.38	-3,150,194.42
5. Net increase in cash and cash equivalents	-740,869,582.22	-380,286,169.90
Add: Balance of cash and cash equivalents at the beginning of the period	1,124,628,856.95	636,743,818.56
6. Balance of cash and cash equivalents at the end of the period	383,759,274.73	256,457,648.66

Legal representative:	Person in charge of accounting:	Person in charge of the accounting department:
Xu Lirong	Zhang Mingwen	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
30 October 2018

As at the date of this announcement, the directors of the Company are Mr. XU Lirong¹ (Chairman), Mr. HUANG Xiaowen¹ (Vice Chairman), Mr. WANG Haimin¹, Mr. ZHANG Wei (張為)¹, Mr. FENG Boming², Mr. ZHANG Wei (張煒)², Mr. CHEN Dong², Mr. YANG, Liang Yee Philip³, Mr. WU Dawei³, Mr. ZHOU Zhonghui³ and Mr. TEO Siong Seng³.

¹ *Executive Director*

² *Non-executive Director*

³ *Independent non-executive Director*

* *For identification purpose only*