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中國遠洋控股股份有限公司

China COSCO Holdings Company Limited*

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

(Stock Code: 1919)

First Quarterly Report For 2016

Pursuant to the regulations of the China Securities Regulatory Commission, China COSCO Holdings Company Limited (the “**Company**” or “**China COSCO**”, 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 2016 is unaudited and prepared in accordance with China Accounting Standards.

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

1. IMPORTANT NOTICE

- 1.1 The board of directors, supervisory committee, each of the directors, supervisors and senior management 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 Board meeting to consider and approve this quarterly report.
- 1.3 The persons in charge of the Company, Wan Min (Chairman), Xu Zunwu (executive Director and acting President), Deng Huangjun (the person in charge of accounting) and Xu Hongwei (the head of the accounting department and accounting supervisor), hereby make representations to warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.
- 1.4 The first quarterly report of the Company has not been audited.

2. COMPANY'S MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS

2.1 Major financial data

Unit: Yuan Currency: Renminbi ("RMB")

Item	At the end of the reporting period	At the end of last year	Increase/decrease at the end of the reporting period as compared with the end of last year (%)
	Total assets	115,859,278,857.27	160,034,895,920.60
Net assets attributable to equity holders of the listed company	22,538,364,879.41	28,407,664,873.85	-20.66
	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 (%)
Net cash flow from operating activities	-577,564,062.22	1,210,624,873.48	-147.71
	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 (%)
Operating revenue	14,608,801,823.13	18,174,672,995.24	-19.62
Net profit attributable to equity holders of the listed Company	-4,483,790,086.13	-1,008,081,555.55	-344.78
Net profit attributable to equity holders of the listed company, net of non-recurring profit and loss	-2,143,780,233.00	-1,002,747,484.17	-113.79
Weighted average return on net assets (%)	-17.14	-3.65	Decreased by 13.49 percentage points
Basic earnings per share (RMB/share)	-0.44	-0.10	-340
Diluted earnings per share (RMB/share)	-0.44	-0.10	-340

Non-recurring profit and loss items and amounts:

Applicable

Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Description
Gains or losses on disposal of non-current assets	-2,421,023,508.50	Mainly due to the loss from the disposals of COSCO Bulk Group and Florens
Government subsidies recorded in the income statement for the current period (exclusive of government subsidies which are closely related to the business of the Company and entitled pursuant to unified standard quota or amount under the government policy)	17,510,062.41	
Net profit or loss for current period from subsidiaries arising from business combination involving entities under common control from the beginning of the period to the date of combination	60,722,426.76	
Profit or loss from other contingencies which are not related to the Company's normal operations	-8,925,614.88	
Gains or losses on changes in fair value arising from held-for-trading financial assets and held-for-trading financial liabilities, and investment gains from disposal of trading financial assets and trading financial liabilities and available-for-sale financial assets, other than effective hedging activities associated with normal business operations of the Company, net	8,739,794.52	
Reversal of provision for impairment of receivables after individual impairment test	9,298,247.89	
Gains or losses from entrusted loans		
Other non-operating income and expenses excluding the items above, net	-184,825,158.75	Mainly include the estimated liabilities provided for onerous contracts

Item	Amount for the current period	Description
Other profit and loss falling within the definition of non-recurring profit and loss	70,504,343.99	Mainly include reversal of the estimated liabilities provided for onerous contracts in 2015 according to the settlement of the contracts
Effect of minority shareholders' interests (after tax)	105,912,346.81	
Effect of income tax	2,077,206.62	
Total	-2,340,009,853.13	

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 427,098

Name of shareholder (Full name)	Shareholdings of the ten largest shareholders					
	Number of shares held at the end of period	Percentage (%)	Number of shares subject to selling restriction held	Pledged or Frozen Status of shares	Number	Nature of shareholder
China Ocean Shipping (Group) Company	4,557,594,644	44.61	0	Nil	0	State-owned legal person
HKSCC Nominees Limited	2,566,199,136	25.02	0	Unknown	0	Foreign legal person
Beijing Chengtong Financial Investment Co., Ltd.	306,488,200	3.00	0	Nil	0	State-owned legal person
Wuhan Iron and Steel (Group) Corporation	250,000,000	2.45	0	Nil	0	State-owned legal person
China State Shipbuilding Corporation	204,000,000	2.00	0	Nil	0	State-owned legal person
China Securities Finance Corporation Limited	192,597,637	1.89	0	Nil	0	State-owned legal person
China National Nuclear Corporation	72,000,000	0.70	0	Nil	0	State-owned legal person
China Huijin Investment Ltd.	54,466,500	0.53	0	Nil	0	State-owned legal person

Shareholdings of the ten largest shareholders

Name of shareholder (Full name)	Number of shares held at the end of period	Percentage (%)	Number of shares subject to selling restriction held	Pledged or Frozen		Nature of shareholder
				Status of shares	Number	
GF Securities Co., Ltd. Client Credit Trading Guarantee Securities Account	19,314,793	0.19	0	Nil	0	Others
China Galaxy Securities Co., Ltd. Client Credit Trading Guarantee Securities Account	15,106,328	0.15	0	Nil	0	Others

**Shareholdings of the ten largest shareholders
not subject to selling restrictions**

Name of shareholder	Number of tradable shares not subject to selling restrictions held	Type and number of shares	
		Type	Number
China Ocean Shipping (Group) Company	4,557,594,644	RMB ordinary shares	4,557,594,644
HKSCC Nominees Limited	2,566,199,136	Overseas-listed foreign shares	2,566,199,136
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	192,597,637	RMB ordinary shares	192,597,637
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

**Shareholdings of the ten largest shareholders
not subject to selling restrictions**

Name of shareholder	Number of tradable shares not subject to selling restrictions held	Type and number of shares	
GF Securities Co., Ltd. Client Credit Trading Guarantee Securities Account	19,314,793	RMB ordinary shares	19,314,793
China Galaxy Securities Co., Ltd. Client Credit Trading Guarantee Securities Account	15,106,328	RMB ordinary shares	15,106,328
Details of the connected relationship amongst, or concerted actions between, the above shareholders	The Company has no shareholders subject to selling restrictions. Therefore, the ten largest shareholders are also the ten largest shareholders not subject to selling restriction. There is no connected relationship between the first largest shareholder and each of the second to the tenth largest shareholders. The Company is not aware of any connected relationship or concerted actions among the second to the tenth largest shareholders.		
Explanation of holders of preference shares with restored voting rights and number of shares held	The major business of HKSCC Nominees Limited (香港中央結算(代理人)有限公司) is to hold shares on behalf of other entities or individuals. N/A		

Notes: 1. As at 31 March 2016, China Ocean Shipping (Group) Company (“COSCO”), the controlling shareholder of the Company, held 87,635,000 H shares of the Company (“Shares”) through its subsidiaries, representing 3.40% of the total issued H Shares of the Company. Such number of shares was included in the shareholdings of HKSCC Nominees Limited.

2. On 28 December 2015, the Company received the Notice on Gratuitous Transfer of State-owned Shares in China Shipping Container Lines Company Limited by China Ocean Shipping (Group) Company (《中國遠洋運輸(集團)總公司關於無償劃轉中國遠洋控股股份有限公司國有股份的通知》) from China Ocean Shipping (Group) Company, which provides that pursuant to the overall scheme of deepening reform of state-owned enterprises and the relevant work arrangement of the State-owned Assets Supervision and

Administration Commission of the State Council and in order to enhance the strategic synergy between upstream and downstream enterprises, COSCO proposed to gratuitously transfer 306,488,200, 250,000,000 and 204,000,000 A shares of the Company to Beijing Chengtong Financial Investment Co., Ltd. (北京誠通金控投資有限公司) (“Beijing Chengtong”), a subsidiary of China Chengtong Holdings Group Limited (中國誠通控股集團有限公司), Wuhan Iron and Steel (Group) Corporation (武漢鋼鐵(集團)公司) (“Wuhan Iron Group”) and China State Shipbuilding Corporation (中國船舶工業集團公司) (“CSSC”), which represented approximately 3.00%, 2.45% and 2.00% of the total issued shares of the Company, respectively. For details, please refer to the Indicative Announcement on Gratuitous Transfer of State-owned Shares (Lin 2015-075) of the Company dated 29 December 2015. The above-mentioned gratuitous transfer of state-owned shares was approved by the State-owned Assets Supervision and Administration Commission of the State Council on 12 January 2016. Upon such gratuitous transfer, COSCO will hold 4,557,594,644 shares of the Company, representing 44.61% of the total issued shares of the Company, and will remain the controlling shareholder of the Company. Beijing Chengtong, Wuhan Iron Group and CSSC will hold 306,488,200 Shares, 250,000,000 Shares and 204,000,000 Shares of the Company, representing 3.00%, 2.45% and 2.00% of the total issued shares of the Company, respectively. For details, please refer to the Announcement Regarding the Update on Gratuitous Transfer of State-owned Shares of China COSCO Holdings Company Limited (《中國遠洋控股股份有限公司關於國有股份無償劃轉進展的公告》) dated 12 January 2016. The registration procedures for the above gratuitous transfer of state-owned shares have been completed. For details, please refer to the Announcement Regarding the Completion of Gratuitous Transfer of State-owned Shares of China COSCO Holdings Company Limited (《中國遠洋控股股份有限公司關於國有股份無償劃轉完成過戶的公告》) dated 21 January 2016.

3. As at 31 March 2016, COSCO and its subsidiaries held 4,645,229,644 shares of the Company in aggregate, representing 45.47% of the total issued shares of the Company. As at the end of the reporting period, the Company had 427,098 shareholders, including 425,988 holders of A shares and 1,110 holders of H shares.

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

3. 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

Interests receivable

As at 31 March 2016, interests receivable of the Group amounted to RMB86,383,827.12, representing a decrease of RMB89,752,075.92, or 50.96%, as compared with that at the beginning of the year. The Group received interest from certain time deposits due on maturity. The time deposits at the end of the period decreased significantly as compared to the beginning of the period as the Group decreased a portion of our time deposits for loan repayment, resulting in a corresponding decrease in interests receivable.

Dividends receivable

As at 31 March 2016, dividends receivables of the Group amounted to RMB213,138,259.07, representing an increase of RMB117,445,886.90, or 122.73%, as compared with that at the beginning of the year. During the period, dividends declared by associates were recognized, which resulted in corresponding increase in the amount at the end of the period.

Available-for-sale financial assets

As at 31 March 2016, available-for-sale financial assets of the Group amounted to RMB1,667,409,408.16, representing a decrease of RMB847,513,966.63, or 33.70%, as compared with that at the beginning of the year. During the period, the Group disposed 100% equity interests in both COSCO Bulk Group and Florens. As a result, the available-for-sale financial assets of these two companies were included in China COSCO's consolidated balance sheet at the beginning of the period, but were excluded from its consolidated balance sheet at the end of the period.

Investment properties

As at 31 March 2016, investment properties of the Group amounted to RMB172,991,798.56, representing a decrease of RMB189,331,577.33, or 52.25%, as compared with that at the beginning of the year. During the period, the Group disposed of 100% equity interests in both COSCO Bulk Group and Florens. As a result, the investment properties of those companies were included in China COSCO's consolidated balance sheet at the beginning of the period, but were excluded from its consolidated balance sheet at the end of the period.

Fixed assets, net

As at 31 March 2016, net fixed assets of the Group amounted to RMB42,639,593,510.20, representing a decrease of RMB38,412,222,621.83, or 47.39%, as compared with that at the beginning of the year. During the period, the

Group disposed of 100% equity interests in both COSCO Bulk Group and Florens. As a result, the net fixed assets of those companies were included in China COSCO's consolidated balance sheet at the beginning of the period, but were excluded from its consolidated balance sheet at the end of the period.

Other non-current assets

As at 31 March 2016, other non-current assets of the Group amounted to RMB164,194,164.57, representing a decrease of RMB538,169,785.44, or 76.62%, as compared with that at the beginning of the year. During the period, the Group disposed of 100% equity interests in both COSCO Bulk Group and Florens. As a result, other non-current assets of those companies were included in China COSCO's consolidated balance sheet at the beginning of the period, but were excluded from its consolidated balance sheet at the end of the period.

Short-term borrowings

As at 31 March 2016, short-term borrowings of the Group amounted to RMB4,534,813,156.55, representing an increase of RMB1,579,619,600 or 53.45% as compared with that at the beginning of the year. During the period, the Group adjusted the loan structure by increasing short-term borrowings in RMB and decreasing long-term borrowings in US dollar in anticipation of the appreciation of U.S dollar and increase of US dollar interest rates.

Notes payables

As at 31 March 2016, notes payables of the Group amounted to RMB62,483,891.48, representing a decrease of RMB58,788,779.82 or 48.48% as compared with that at the beginning of the year. During the period, the Group used bank acceptance bills transferred from our customers for external payments and decreased the usage of the bank acceptance bills issued by the Group.

Employee benefits payable

As at 31 March 2016, employee benefits payable of the Group amounted to RMB698,539,972.72, representing a decrease of RMB1,043,090,212.11, or 59.89%, as compared with that at the beginning of the year. During the period, the Group disposed 100% equity interests in both COSCO Bulk Group and Florens. As a result, the employee benefits payable of those companies were included in China COSCO's consolidated balance sheet at the beginning of the period, but were excluded from its consolidated balance sheet at the end of the period. Distribution of the year-end bonus for 2015 during the period also led to the decrease in employee benefits payable.

Non-current liabilities due within one year

As at 31 March 2016, non-current liabilities due within one year of the Group amounted to RMB2,925,147,925.04, representing a decrease of RMB5,969,042,631.13 or 67.11% as compared with that at the beginning of the year. During the period, the Group disposed of 100% equity interests in both COSCO Bulk Group and Florens. As a result, the non-current liabilities due within one year of the two companies were included in China COSCO's consolidated balance sheet at the beginning of the period, but were excluded from its consolidated balance sheet at the end of the period. During the period, the Group repaid certain U.S dollar-denominated loans, which also led to the decrease in the non-current liabilities due within one year.

Long-term loans

As at 31 March 2016, long-term loans of the Group amounted to RMB29,531,309,977.08, representing a decrease of RMB28,016,354,467.15, or 48.68%, as compared with that at the beginning of the year. During the period, the Group disposed of 100% equity interests in both COSCO Bulk Group and Florens. As a result, the long-term loans of the two companies were included in China COSCO's consolidated balance sheet at the beginning of the period, but were excluded from its consolidated balance sheet at the end of the period.

Other non-current liabilities

As at 31 March 2016, other non-current liabilities of the Group amounted to RMB5,520,599.46, representing a decrease of RMB4,605,454.58, or 45.48%, as compared with that at the beginning of the year. During the period, the Group disposed of 100% equity interests in both COSCO Bulk Group and Florens. As a result, the other non-current liabilities of the two companies were included in China COSCO's consolidated balance sheet at the beginning of the period, but were excluded from its consolidated balance sheet at the end of the period.

Other comprehensive income

As at 31 March 2016, other comprehensive income of the Group amounted to RMB-2,206,612,271.87, representing an increase of RMB2,657,860,047.88, or 54.64%, as compared with that at the beginning of the year. Among which, the exchange difference on translation of financial statements in foreign currency increased by RMB2,555,154,590.83, or 52.63%. During the period, the Group disposed of 100% equity interests in both COSCO Bulk Group and Florens. According to the accounting standards, the related other comprehensive income, mainly including currency translation differences (loss), should be reclassified to profit or loss for the current period on the date of disposal.

Impairment loss on assets

For the first quarter of 2016, the Group recorded an impairment loss on assets of RMB4,108,291.02, an increase of RMB10,380,833.60, or 165.50% as compared with the corresponding period of last year. The provision for loss on bad debt and available-for-sale financial assets increased as compared to the corresponding period of last year.

Gain or loss on change in fair value

For the first quarter of 2016, gain on change in fair value of the Group amounted to RMB41,887.45, as compared with the loss on change in fair value of RMB5,994,814.36 for the corresponding period of last year. COSCO Bulk Group performed fuel hedging activities during the corresponding period of last year, resulting in the loss on change in fair value of fuel futures. We did not perform fuel hedging activities during the first quarter of 2016.

Income from investment

For the first quarter of 2016, income from investment of the Group amounted to RMB-2,114,125,810.21, decreased by RMB2,517,931,879.70 or 623.55% as compared to the corresponding period of last year. During the period, the Group disposed of 100% equity interests in both COSCO Bulk Group and Florens. A gain on disposal of RMB1,146,757,306.25 was recorded due to the higher transaction price as compared to the net assets of the disposed companies. According to the accounting standards, the relevant owners' equity of the two companies subject to reclassification to profit and loss at the time of disposal (mainly referring to the translation differences included in other comprehensive income) was transferred to loss on disposal with an amount of RMB3,573,583,188.92 on the date of disposal. As a result of the above factors, net loss on disposal of RMB2,426,825,882.67 was recognized.

Non-operating income

For the first quarter of 2016, non-operating income of the Group amounted to RMB28,605,842.72, representing a decrease of RMB52,239,925.40, or 64.62%, as compared to the corresponding period of last year. Among which, the gain on disposal of fixed assets was RMB3,576,954.12, decreased by RMB12,896,197.33, as compared to the corresponding period of last year, which was mainly due to the disassembly and decommissioning of 22 aged vessels in aggregate by the Group in the corresponding period of last year, resulting in net gains on dismantlement recorded as non-operating income and net losses on dismantlement recorded as non-operating expenses. There was no disposal of vessels during the current period.

Government subsidies amounted to RMB20,159,329.43, decreasing by RMB41,823,008.11, or 67.48%, as compared to the corresponding period of last year, which was mainly because PANASIA Shipping Company (泛亞航運公司) (one of our consolidated companies) was no longer entitled to the preferential policy of immediate refund of VAT under Caishui [2013] No. 106 since 1 January 2016.

Non-operating expenses

For the first quarter of 2016, non-operating expenses of the Group amounted to RMB199,622,467.07, representing a decrease of RMB144,146,902.21, or 41.93%, as compared to the corresponding period last year. Such change was mainly due to the disassembly and decommissioning of 22 aged vessels in aggregate by the Group during the corresponding period of last year, resulting in net gains recorded as non-operating income and net losses recorded as non-operating expenses. There was no disposal of vessels during the current period.

Net cash flows from operating activities

For the first quarter of 2016, net cash outflow from operating activities of the Group amounted to RMB577,564,062.22, as compared with the net cash inflow of RMB1,210,624,873.48 in the same period of last year. During the period, the net cash outflow from operating activities was transferred from the net cash inflow for the previous period, which was mainly due to the increase in operating loss from containers shipping businesses.

Net cash flows from investing activities

For the first quarter of 2016, net cash inflow from investing activities of the Group amounted to RMB9,550,444,028, as compared with the net cash outflow of RMB620,977,419.24 in the same period of last year. The cash paid for the acquisition and installation of fixed assets, intangible assets and other long-term assets by the Group increased by RMB1,483,689,062.83 as compared with the same period of last year, which was mainly because Florens repurchased the sale and leaseback containers during the period. Net cash received from disposal of subsidiaries and other operating entities increased by RMB11,219,370,695.42 as compared with the same period of last year, which was mainly because the Group disposed of 100% equity interests held by it in both COSCO Bulk Group and Florens during the period.

Net cash flow from financing activities

For the first quarter of 2016, the net cash outflow from financing activities of the Group amounted to RMB7,901,656,739.28, as compared with the net cash outflow of RMB2,898,672,381.94 in the same period of last year. Cash paid for other financing-related activities increased by RMB8,562,092,282.70 as compared with the same period of last year, which was mainly due to the acquisition of agencies and terminal companies under CSCL, and the increase in shareholding in COSCO Pacific. During the period, the cash received from the borrowings was more than the cash for repayment of debts by RMB1,237,560,950.88, while the cash received from the borrowings was less than the cash used for repayment of debts by RMB2,281,260,699.08 for the previous period.

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

Applicable Not applicable

On 11 December 2015 and 1 February 2016, the 21st meeting of the fourth session of the Board and the first extraordinary general meeting for 2016 of the Company were convened respectively to consider and approve the resolutions on material asset restructuring of the Company. Details of the material asset restructuring set out in the report on sale and purchase of major assets and connected transactions (revised) of China COSCO Holdings Company Limited were published on the website of Shanghai Stock Exchange (www.sse.com.cn) on 25 December 2015. The Company actively proceeded with relevant work of the material asset restructuring in accordance with the authorization of the shareholders' general meeting. As at the end of the reporting period, all transactions under the material asset restructuring had been completed except for the acquisition of 100% equity interests in China Shipping Container Lines Agency (Shenzhen) Co., Ltd. (中海集裝箱運輸代理(深圳)有限公司) and Universal Logistics (Shenzhen) Co., Ltd. (深圳中海五洲物流有限公司). Details of the transactions are disclosed in the update announcements of the Company posted on the website of Shanghai Stock Exchange (www.sse.com.cn) on 16, 19, 25 and 31 March 2016, respectively.

3.3 Status of performance of undertakings given by the Company and shareholders holding 5% or above shares

Applicable Not applicable

During the reporting period, the Company and shareholders who held 5% or above equity interests had fully performed the relevant undertakings. Please refer to the 2015 annual report for details.

Among which,

1. COSCO had undertaken to COSCO Pacific Limited (“COSCO Pacific”) during the initial listing of COSCO Pacific on the Hong Kong Stock Exchange in 1994 that “COSCO and its subsidiaries shall: (1) not be engaged in any business in any place in the world that may compete with the container leasing business of COSCO Pacific and its subsidiaries; (2) under any circumstances, when COSCO needs containers, it will first consider to lease from the container leasing companies, and under such circumstances, COSCO will grant COSCO Pacific and its subsidiaries the priority to negotiate container leasing business with COSCO, and may consider purchase of containers for own use only when COSCO fails to lease containers from the container leasing companies; (3) commence negotiations with COSCO Pacific and its subsidiaries as mentioned in the preceding paragraph at average market lease values, and to agree at annual rental adjustments in the existing and future contracts, and will enter into all contracts and rental adjustments based on the average rental values of four of the top ten independent container leasing companies; (4) renew any existing contracts entered into with COSCO Pacific and its subsidiaries for further ten years, and will enter into new contracts for a term of ten years.”
2. During the non-public offering of the Company in 2007, COSCO made an undertaking to China COSCO that “as long as COSCO remains as the controlling shareholder of China COSCO, other than the existing scale of dry bulk cargo fleet, COSCO and its subsidiaries shall not adopt any actions and measures to conduct any business which competes or may compete with China COSCO and its subsidiaries, and shall not infringe the lawful interests of China COSCO and its subsidiaries. Upon completion of the non-public offering, there shall be no new competitions between COSCO and its subsidiaries with China COSCO and its subsidiaries. At the same time, COSCO has undertaken to give China COSCO the right of first refusal to acquire the assets and/or equity rights relating to dry bulk shipping business to be disposed of by China COSCO or its subsidiaries under the same conditions.”
3. On 11 December 2015 and 1 February 2016, the 21st meeting of the fourth session of the Board and the first extraordinary general meeting for 2016 of the Company were convened, respectively, to consider and approve resolutions on

material asset restructuring of the Company. The disposals of equity interests in Florens Container Holdings Limited and China COSCO Bulk Shipping (Group) Co., Ltd. have been completed. The above two undertakings were no longer applicable upon completion of the disposals.

- 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 last year

Applicable Not applicable

As the sluggish growth in global container transportation demand, excessive shipping capacity and stagnant shipping market show no signs of improvement, it is expected that the accumulated net profit of the Group from the beginning of the year to the end of the next reporting period will be negative.

3.5 Operation data of business segments

Container shipping business

During the reporting period, the shipping volume of the Group's container shipping business was 3,024,034 TEUs, representing an increase of 14.8% as compared to the corresponding period of last year. The increase in shipping volume was primarily due to the material asset restructuring of the Company. The Company chartered and operated the container vessels and containers owned or operated by China Shipping Container Lines Company Limited and its subsidiaries from 1 March 2016.

Shipping volumes (TEUs)

	January - March 2016	January - March 2015	Changes (%)
Trans-Pacific	462,458	449,455	2.9
Asia-Europe (including Mediterranean Sea)	647,843	487,956	32.8
Intra-Asia (including Australia)	879,371	824,193	6.7
Other international market (including Atlantic Ocean)	234,287	175,958	33.1
China	<u>800,075</u>	<u>697,171</u>	<u>14.8</u>
Total	<u>3,024,034</u>	<u>2,634,733</u>	<u>14.8</u>

Revenue by routes (RMB thousand)

	January - March 2016	January - March 2015	Changes (%)
Trans-Pacific	3,365,790	4,145,369	-18.8
Asia-Europe (including Mediterranean Sea)	2,425,027	2,612,854	-7.2
Intra-Asia (including Australia)	2,070,014	2,221,715	-6.8
Other international market (including Atlantic Ocean)	721,254	777,842	-7.3
China	<u>1,427,930</u>	<u>1,238,229</u>	<u>15.3</u>
Total	<u>10,010,015</u>	<u>10,996,009</u>	<u>-9.0</u>

As at the end of the reporting period, the fleet operated by the Group included 308 container vessels with a total capacity of 1,607,578 TEUs, representing an increase of 87.4% as compared with the end of 2015. As at the end of the reporting period, the Group had 21 orders for container vessels, representing a total of 326,960 TEUs. China Shipping Container Lines Company Limited and its subsidiaries had 14 orders for container vessels, representing a total of 234,000 TEUs, which will be taken by the Group for operation in accordance with relevant agreements on the material asset restructuring of the Company. In total, there were 35 orders for container vessels of 560,960TEUs.

Dry bulk shipping business

As at 29 February 2016, the Group operated 210 dry bulk vessels, representing a decrease of 3 and 32 dry bulk vessels as compared with the beginning of the year and as at 29 February 2015, respectively. From January to February 2016, the dry bulk vessels completed shipment volume of 23,183,000 tons, representing a decrease of 14.37% as compared with January to February in 2015.

Category		First Quarter			% change from January to February, 2015 to January to February, 2016
		January to February, 2016	January to February, 2015	January to March, 2015	
Shipping volumes by routes (tons)	International lines	19,413,219	22,543,518	32,756,836	-13.89
	Domestic coastal lines	3,769,718	4,528,523	6,699,953	-16.76
Shipping volumes by cargo types (tons)	Coal	6,919,043	9,617,335	13,996,499	-28.06
	Metal ore	12,200,103	12,324,239	17,432,955	-1.01
	Foodstuff	2,157,681	2,583,683	4,067,855	-16.49
	Others	1,906,110	2,546,784	3,959,480	-25.16
Shipment turnover (thousand ton nautical miles)		125,442,677	128,740,685	182,305,456	-2.56

Note: Due to the disposal of 100% equity interests in COSCO Bulk Group on 29 February 2016, the income statement in the first quarterly report for 2016 included profit and loss of COSCO Bulk Group from January to February in 2016 while the income statement in the corresponding period of the previous year included the profit and loss of COSCO Bulk Group from January to March in 2015.

Terminal business

As at the end of the reporting period, the total throughput of the Group's container terminal business was 22,239,180TEUs, representing an increase of 2.9% as compared to the same quarter of last year.

Region of terminal	January to March, 2016 (TEUs)	January to March, 2015 (TEUs)	% change year-on-year
Bohai Rim region	7,719,245	7,486,903	3.1
Yangtze River Delta region	4,578,956	4,730,115	-3.2
Southeast coastal region and others	970,147	951,350	2.0
Pearl River Delta region	5,608,477	5,729,309	-2.1
Southwest costal region	262,570	179,995	45.9
Overseas	3,099,785	2,525,074	22.8
Total	22,239,180	21,602,746	2.9

Note: The acquisition of 100% equity interests in China Shipping Ports Development Co., Ltd. (“China Shipping Ports”) was completed on 18 March 2016. The above throughput included the business of China Shipping Ports.

3.6 Analysis of losses

During the reporting period, the Group realized net profit attributable to equity holders of the listed Company of approximately RMB-4.484 billion, mainly due to:

1. During the reporting period, the Group disposed of 100% equity interests in China COSCO Bulk Shipping (Group) Co., Ltd. (“COSCO Bulk Group”) and 100% equity interests in Florens Container Holdings Limited. Among which, the gain of RMB1.147 billion was incurred from the disposal due to higher transaction price as compared to the net assets of the disposed companies. In accordance with the accounting standards, the relevant owners' equity of the two companies subject to the reclassification to profit and loss at the time of disposal (mainly referring to the translation differences included in other comprehensive income) were transferred to loss on disposal with an amount of RMB3.573 billion on the date of disposal. As a result of the above factors, net loss on disposal of RMB2.426 billion was recognized.

2. During the reporting period, as the imbalance of supply and demand in the dry bulk shipping market remained unsolved, freight rates still stood at low levels. The average of Baltic Dry Index (BDI) was 358 points, representing a decrease of 41.6% as compared with the same period of last year. For the two months immediately prior to the completion date of the disposal of COSCO Bulk Group (January to February 2016), the Group recorded a loss of approximately RMB762 million in the dry bulk shipping business.
3. During the reporting period, the market demand for container shipping continued to be weak, and the overall demand and supply remained imbalanced. Freight rates in the market showed a general downward trend. In mid-March of 2016, freight rates of the major routes of international liners hit the bottom for the recent five years. The average index value on China Containerized Freight Index (“CCFI”) for the first quarter was 739 points, representing a decrease of 30.2% as compared to the same period of last year. The container shipping business of the Group recorded a loss of approximately RMB1.377 billion.

China COSCO Holdings Company Limited
Wan Min
Legal Representative

28 April 2016

4. APPENDIX

4.1 Financial statements

Consolidated Balance Sheet

31 March 2016

Prepared by China COSCO Holdings Company Limited

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Cash and bank balances	34,797,853,416.17	33,934,797,829.88
Transaction settlement funds		
Loans to other banks		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	156,121,679.64	205,945,790.36
Accounts receivable	5,301,845,822.56	6,044,298,729.65
Prepayments	1,004,523,368.93	1,407,755,183.20
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Interests receivable	86,383,827.12	176,135,903.04
Dividends receivable	213,138,259.07	95,692,372.17
Other receivables	1,436,214,036.96	1,737,207,883.28
Financial assets purchased with agreement to re-sale		
Inventories	1,081,595,276.86	1,502,288,182.62
Assets classified as held for sale		
Non-current assets due within one year	332,725,184.06	438,731,026.40
Other current assets	376,847,623.45	401,288,421.14
Total current assets	44,787,248,494.82	45,944,141,321.74

Item	Balance at the end of the period	Balance at the beginning of the year
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets	1,667,409,408.16	2,514,923,374.79
Held-to-maturity investment		
Long-term receivables	580,393,433.39	792,001,675.41
Long-term equity investments	19,163,458,535.92	21,147,098,866.31
Investment properties	172,991,798.56	362,323,375.89
Fixed assets	42,639,593,510.20	81,051,816,132.03
Construction in progress	4,411,111,083.20	5,032,572,000.42
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	2,147,408,631.65	2,332,027,133.62
Research and development expenses	313,097.89	
Goodwill	2,809,409.13	2,809,409.13
Long-term unamortized expenses	20,164,727.67	23,572,711.69
Deferred income tax assets	102,182,562.11	129,245,969.56
Other non-current assets	164,194,164.57	702,363,950.01
Total non-current assets	71,072,030,362.45	114,090,754,598.86
Total assets	115,859,278,857.27	160,034,895,920.60

Item	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term loans	4,534,813,156.55	2,955,193,556.55
Loans from central bank		
Receipt of deposits and deposits from other banks		
Loans from other banks		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	62,483,891.48	121,272,671.30
Accounts payable	10,923,799,414.58	11,250,091,428.52
Advance from customers	333,473,453.32	468,937,486.21
Funds from selling out and repurchasing financial assets		
Fee and commission payable		
Employee benefits payable	698,539,972.72	1,741,630,184.83
Taxes payable	673,749,537.24	783,508,994.27
Interests payable	372,291,482.94	295,747,008.40
Dividends payable	1,093,704,891.03	111,109,258.07
Other payables	4,410,611,303.86	3,054,260,073.11
Reinsurance accounts payable		
Provision for insurance contracts		
Acting trading securities		
Acting underwriting securities		
Liabilities classified as held for sale		
Non-current liabilities due within one year	2,925,147,925.04	8,894,190,556.17
Other current liabilities	672,656.17	
Total current liabilities	26,029,287,684.93	29,675,941,217.43

Item	Balance at the end of the period	Balance at the beginning of the year
Non-current liabilities:		
Long-term loans	29,531,309,977.08	57,547,664,444.23
Bonds payable	17,209,747,692.58	17,241,381,284.68
Of which: Preferred shares		
Perpetual bonds		
Long-term payables	524,084,311.96	520,771,698.10
Long-term employee benefits payable	317,090,672.34	977,574,784.98
Special payables		1,000,000.00
Estimated liabilities	63,366,600.00	275,883,342.00
Deferred income	201,096,923.08	208,229,939.37
Deferred income tax liabilities	507,820,929.94	586,645,388.16
Other non-current liabilities	5,520,599.46	10,126,054.04
Total non-current liabilities	48,360,037,706.44	77,369,276,935.56
Total liabilities	74,389,325,391.37	107,045,218,152.99
Owner's equity:		
Share capital	10,216,274,357.00	10,216,274,357.00
Other equity instruments		
Of which: Preferred shares		
Perpetual bonds		
Capital reserves	27,268,101,924.40	31,179,768,351.24
Less: Treasury shares		
Other comprehensive income	-2,206,612,271.87	-4,864,472,319.75
Specific reserves	22,306,100.91	19,029,630.26
Surplus reserves	851,619,535.66	851,619,535.66
Reserve for ordinary risk		
Undistributed profit	-13,613,324,766.69	-8,994,554,680.56
Total equity attributable to owners of the parent company	22,538,364,879.41	28,407,664,873.85
Minority interests	18,931,588,586.49	24,582,012,893.76
Total owners' equity	41,469,953,465.90	52,989,677,767.61
Total liabilities and owners' equity	115,859,278,857.27	160,034,895,920.60

Legal representative: Wan Min

Person in charge of accounting: Deng Huangjun

Person in charge of the accounting department: Xu Hongwei

Balance Sheet of the Holding Company

31 March 2016

Prepared by China COSCO Holdings Company Limited

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Cash and bank balances	7,942,152,429.89	1,304,373,883.52
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Prepayments		
Interests receivable	—	1,493,252.63
Dividends receivable		
Other receivables	129,096,073.11	69,559,696.01
Inventories		
Assets classified as held for sale		
Non-current assets due within one year	205,000,000.00	270,000,000.00
Other current assets		
Total current assets	8,276,248,503.00	1,645,426,832.16
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables	4,951,241,537.77	4,951,241,537.77
Long-term equity investments	27,726,315,740.87	54,596,411,895.44
Investment properties		
Fixed assets	556,456.51	625,321.69
Construction in progress		
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	5,838,333.33	4,723,000.00
Research and development expenses		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	32,683,952,068.48	59,553,001,754.90
Total assets	40,960,200,571.48	61,198,428,587.06

Item	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term loans		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Advance from customers		
Employee benefits payable	45,858,162.06	93,186,088.31
Taxes payable	472,106,033.92	475,327,433.18
Interests payable	196,868,854.06	88,588,798.54
Dividends payable	9,416.12	9,558.74
Other payables	2,057,338,238.21	211,726,468.42
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	2,772,180,704.37	868,838,347.19
Non-current liabilities:		
Long-term loans		
Bonds payable	8,901,356,916.90	8,894,584,666.89
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	8,901,356,916.90	8,894,584,666.89
Total liabilities	11,673,537,621.27	9,763,423,014.08

Item	Balance at the end of the period	Balance at the beginning of the year
Owner's 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		
Specific reserves		
Surplus reserves	851,456,104.01	851,456,104.01
Undistributed profit	-20,903,536,077.73	1,244,806,545.04
Total owners' equity	29,286,662,950.21	51,435,005,572.98
Total liabilities and owners' equity	40,960,200,571.48	61,198,428,587.06

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 2016

Prepared by China COSCO Holdings Company Limited

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the current period	Amount for the corresponding period of last year
1. Total operating revenue	14,608,801,823.13	18,174,672,995.24
Including: Operating revenue	14,608,801,823.13	18,174,672,995.24
Interest income		
Earned insurance premiums		
Fees and commission income		
2. Total cost of operation	16,564,204,421.78	18,875,462,056.14
Including: Cost of operation	14,884,601,213.53	17,215,926,394.03
Interest expenses		
Fees and commission expenses		
Refunded premiums		
Net amount of compensation payout		
Net amount of reserves for reinsurance contract		
Policy dividend payment		
Reinsured expenses		
Business tax and surcharges	15,487,814.33	17,936,304.46
Sales expenses	20,171,743.34	26,006,062.35
Administrative expenses	989,811,045.81	1,038,582,583.09
Finance costs	650,024,313.75	583,283,254.79
Loss on impairment of assets	4,108,291.02	-6,272,542.58
Add: Gain from changes in fair value (Loss stated with "-")	41,887.45	-5,994,814.36
Investment income (Loss stated with "-")	-2,114,125,810.21	403,806,069.49
Including: Income from investment in associates and joint ventures	303,960,277.94	392,330,025.78
Exchange gains (Loss stated with "-")		

Item	Amount for the current period	Amount for the corresponding period of last year
3. Operating profit (Loss stated with “-”)	-4,069,486,521.41	-302,977,805.77
Add: Non-operating income	28,605,842.72	80,845,768.12
Including: gain from disposal of non-current assets	3,576,954.12	16,473,151.45
Less: Non-operating expenses	199,622,467.07	343,769,369.28
Including: Loss from disposal of non-current assets	807,680.16	268,768,478.29
4. Total profit (Loss stated with “-”)	-4,240,503,145.76	-565,901,406.93
Less: Income tax expenses	129,299,649.55	107,600,205.62
5. Net profit (Loss stated with “-”)	-4,369,802,795.31	-673,501,612.55
Net profit attributable to equity holders of the parent company	-4,483,790,086.13	-1,008,081,555.55
Minority interests	113,987,290.82	334,579,943.00
6. Net other comprehensive income after tax	2,769,832,865.22	-23,687,846.74
Net other comprehensive income after tax attributable to owners of the parent company	2,657,860,047.88	-10,128,224.69
(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	2,522,880,047.88	-10,128,224.69
1. Share of other comprehensive income of investee that will be subsequently reclassified into profit or loss under equity method	-8,101,148.58	248,046.77
2. Gains or losses from changes in fair value of available-for-sale financial assets	-29,021,050.78	3,351,429.12

Item	Amount for the current period	Amount for the corresponding period of last year
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	2,555,154,590.83	-13,727,700.58
6. Others	4,847,656.41	
Other comprehensive income after tax attributable to minority shareholders, net	111,972,817.34	-13,559,622.05
7. Total comprehensive income	-1,599,969,930.09	-697,189,459.29
Total comprehensive income attributable to equity holders of the parent company	-1,825,930,038.25	-1,018,209,780.24
Total comprehensive income attributable to minority shareholders	225,960,108.16	321,020,320.95
8. Earnings per share:		
(1) Basic earnings per share	-0.44	-0.10
(2) Diluted earnings per share	-0.44	-0.10

For business combination under common control during the current reporting period, the net profit of acquiree before business combination was: RMB53,234,787.23 and the net profit of acquiree for the previous reporting period was: RMB25,586,997.49.

Legal representative: Wan Min

Person in charge of accounting: Deng Huangjun

Person in charge of the accounting department: Xu Hongwei

Income Statement of the Holding Company

January to March 2016

Prepared by China COSCO Holdings Company Limited

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the current period	Amount for the corresponding period of last year
1. Operating revenue		
Less: Operating costs		
Business tax and surcharges		
Sales expenses		
Administrative expenses	82,963,037.43	69,453,236.22
Finance costs	77,346,272.52	64,894,786.12
Loss on impairment of assets		
Add: Gain from changes in fair value (Loss stated with “-”)	41,887.45	
Investment gains (Loss stated with “-”)	-21,988,075,200.27	8,438,356.16
Including: Gains from investment in associates and joint ventures		
2. Operating profit (Loss stated with “-”)	-22,148,342,622.77	-125,909,666.18
Add: Non-operating income		
Including: gain from disposal of non-current assets		
Less: Non-operating expenses		320,000.00
Including: loss on disposal of non-current assets		
3. Total profit (Loss stated with “-”)	-22,148,342,622.77	-126,229,666.18
Less: Income tax expenses		
4. Net profit (Loss stated with “-”)	-22,148,342,622.77	-126,229,666.18
5. Net other comprehensive income after tax (Loss stated with “-”):		
(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 corresponding period of last year
(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	-22,148,342,622.77	-126,229,666.18
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

Legal representative: Wan Min

Person in charge of accounting: Deng Huangjun

Person in charge of the accounting department: Xu Hongwei

Consolidated Cash Flow Statement

January to March 2016

Prepared by China COSCO Holdings Company Limited

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the current period	Amount for the corresponding period of last year
1. Cash flow from operating activities:		
Cash from sale of products and labor services	14,553,445,652.90	18,667,249,898.26
Net increase in deposits from customers and deposits from other banks		
Net increase in loans from central bank		
Net increase in loans from other financial institutions		
Cash receipts of premium of direct insurance contracts		
Net cash received from reinsurance contracts		
Net increase in deposits from insurance policy holders and investment		
Net increase in disposal of financial assets at fair value through profit or loss		
Cash receipts of interest, fees and commission		
Net increase in placement from banks and other financial institution		
Net increase in repurchase operations		
Cash received from taxes refund	92,220,406.26	129,053,011.08
Cash received relating to other operating activities	814,358,484.38	1,004,043,326.13
Subtotal of cash inflow from operating activities	15,460,024,543.54	19,800,346,235.47
Cash paid for purchase of products and labor services	12,130,907,814.99	15,170,202,635.03
Net increase in loans and disbursement to customers		
Net increase in deposit with central bank and inter-banks		
Cash paid for claims of direct insurance contracts		
Cash paid for interest, fee and commission		
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	2,229,182,334.78	2,070,635,145.09
Payments of taxes and surcharges	184,477,415.55	249,143,675.74
Cash paid relating to other operating activities	1,493,021,040.44	1,099,739,906.13
Subtotal of cash outflow from operating activities	16,037,588,605.76	18,589,721,361.99

Item	Amount for the current period	Amount for the corresponding period of last year
Net cash flow from operating activities	-577,564,062.22	1,210,624,873.48
2. Cash flow from investment activities:		
Cash from recovery of investments	255,000,000.00	7,077,198.73
Cash from investment income	34,990,895.72	41,924,162.12
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	23,927,260.20	302,014,360.29
Net cash received from disposal of subsidiaries and other business units	11,229,184,866.04	9,814,170.62
Cash received relating to other investing activities	425,973,475.21	0.00
Subtotal of cash inflow from investment activities	11,969,076,497.17	360,829,891.76
Cash paid for acquisition and installation of fixed assets, intangible assets and other long-term assets	2,100,784,781.59	617,095,718.76
Cash paid for investments	317,401,000.00	351,814,041.37
Net increase in secured loans		
Net cash paid for acquiring subsidiaries and other operating entities		
Cash paid relating to other investment activities	446,687.58	12,897,550.87
Subtotal of cash outflow from investment activities	2,418,632,469.17	981,807,311.00
Net cash generated from investment activities	9,550,444,028	-620,977,419.24
3. Cash flow 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	14,851,413,891.15	6,381,541,325.34
Cash received from issue of debentures		
Cash received from other financing activities		
Subtotal of cash inflow from financing activities	14,907,830,778.81	6,381,541,325.34
Cash paid for repayment of indebtedness	13,613,852,940.27	8,662,802,024.42
Cash paid for distribution of dividends, profit or interest	586,782,291.88	570,651,679.62
Including:Dividends and profit distributed to minority shareholders by subsidiaries		17,269,889.10
Cash paid for other financing activities	8,608,852,285.94	46,760,003.24
Subtotal of cash outflow from financing activities	22,809,487,518.09	9,280,213,707.28
Net cash flow from financing activities	-7,901,656,739.28	-2,898,672,381.94

Item	Amount for the current period	Amount for the corresponding period of last year
4. Effect of changes in exchange rates on cash and cash equivalents	-170,789,097.95	91,867,002.33
5. Net increase in cash and cash equivalents	900,434,128.55	-2,217,157,925.37
Add: balance of cash and cash equivalents at the beginning of the period	33,613,255,181.44	40,653,339,781.28
6. Balance of cash and cash equivalents at the end of the period	34,513,689,309.99	38,436,181,855.91

Legal representative: Wan Min

Person in charge of accounting: Deng Huangjun

Person in charge of the accounting department: Xu Hongwei

Cash Flow Statement of the Parent Company

January to March 2016

Prepared by China COSCO Holdings Company Limited

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the current period	Amount for the corresponding period of last year
1. Cash flow from operating activities:		
Cash from sale of products and labor services		
Cash received from taxes refund		
Cash received relating to other operating activities	4,700,020.21	1,186,672.91
Subtotal of cash inflow from operating activities	4,700,020.21	1,186,672.91
Cash paid for purchase of products and labor services		
Cash paid to and on behalf of employees	56,373,178.58	61,671,928.98
Payments of taxes and surcharges		5,113.89
Cash paid relating to other operating activities	52,157,556.77	53,936,497.28
Subtotal of cash outflow from operating activities	108,530,735.35	115,613,540.15
Net cash flow from operating activities	-103,830,715.14	-114,426,867.24
2. Cash flow from investment activities:		
Cash from recovery of investments	255,000,000.00	
Cash from investment income	8,739,794.52	8,438,356.16
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 relating to other investment activities		
Subtotal of cash inflow from investment activities	6,933,379,594.52	8,438,356.16
Cash paid for acquisition and installation of fixed assets, intangible assets and other long-term assets	1,450,000.00	
Cash paid for investments	190,000,000.00	200,000,000.00
Net cash paid for acquiring subsidiaries and other operating entities		
Cash paid relating to other investment activities		
Subtotal of cash outflow from investment activities	191,450,000.00	200,000,000.00
Net cash flow from investment activities	6,741,929,594.52	-191,561,643.84

Item	Amount for the current period	Amount for the corresponding period of last year
3. Cash flow from financing activities:		
Cash received from investments		
Cash received from borrowings		
Cash received from other financing activities		
Subtotal of cash inflow from financing activities		
Cash paid for repayment of indebtedness		
Cash paid for distribution of dividends, profit or interest		
Cash paid for other financing activities		
Subtotal of cash outflow from financing activities		
Net cash flow from financing activities		
4. Effect of changes in exchange rates on cash and cash equivalents	-320,333.01	231,614.90
5. Net increase in cash and cash equivalents	6,637,778,546.37	-305,756,896.18
Add: balance of cash and cash equivalents at the beginning of the period	1,304,373,883.52	1,593,233,623.79
6. Balance of cash and cash equivalents at the end of the period	7,942,152,429.89	1,287,476,727.61

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
China COSCO Holdings Company Limited
Guo Huawei
Company Secretary

Shanghai, the People's Republic of China

28 April 2016

As at the date of this announcement, the directors of the Company are Mr. WAN Min² (Chairman), Ms. SUN Yueying², Mr. SUN Jiakang¹, Mr. YE Weilong¹, Mr. WANG Yuhang², Mr. XU Zunwu¹, 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*