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中遠海運發展股份有限公司
COSCO SHIPPING Development Co., Ltd.*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02866)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

FINANCIAL HIGHLIGHTS (UNDER HKFRSs)

- Revenue from continuing operations amounted to RMB27,411,245,000
- Profit before tax from continuing operations amounted to RMB1,547,572,000
- Profit attributable to owners of the Company for the year amounted to RMB1,685,947,000
- Basic earnings per share attributable to ordinary equity holders of the Company amounted to RMB0.1246
- The Board proposed the payment of a final dividend of RMB0.019 per share (inclusive of applicable tax)

The board of directors (the “**Board**”) of COSCO SHIPPING Development Co., Ltd. (the “**Company**” or “**COSCO SHIPPING Development**”) is pleased to announce the consolidated financial information of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (the “**Period**” or the “**Year**”) prepared under Hong Kong Financial Reporting Standards (“**HKFRSs**”), together with the comparative figures for the year ended 31 December 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	<i>Notes</i>	2024 RMB'000	2023 RMB'000
Continuing operations:			
Revenue	4	27,411,245	15,533,247
Cost of sales		(22,767,001)	(11,233,093)
Gross profit		4,644,244	4,300,154
Other income	5	301,065	371,516
Other gains, net	6	386,189	442,338
Selling, administrative and general expenses		(1,182,444)	(1,275,507)
Expected credit losses, net		(84,523)	(132,396)
Finance costs		(4,035,382)	(3,936,878)
Share of profits of associates		1,511,515	1,543,383
Share of profits of joint ventures		6,908	32,656
Profit before tax		1,547,572	1,345,266
Income tax (expenses)/credit	7	(125,066)	32,212
Profit for the year from continuing operations		<u>1,422,506</u>	<u>1,377,478</u>
Discontinued operation			
Profit for the year from a discontinued operation		213,660	30,077
Profit for the year		<u>1,636,166</u>	<u>1,407,555</u>
Profit attributable to owners of the Company:			
– From continuing operations		1,472,287	1,377,478
– From a discontinued operation		213,660	30,077
Profit for the year attributable to owners of the Company		<u>1,685,947</u>	<u>1,407,555</u>
Loss for the year attributable to non-controlling interests:			
– From continuing operations		(49,781)	–
		<u>1,636,166</u>	<u>1,407,555</u>
Earnings per share attributable to ordinary equity holders of the Company (expressed in RMB per share)			
	8		
Basic			
– For profit for the year		0.1246	0.1040
– For profit from continuing operations		0.1088	0.1018
Diluted			
– For profit for the year		0.1246	0.1039
– For profit from continuing operations		0.1088	0.1017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit for the year	<u>1,636,166</u>	<u>1,407,555</u>
Other comprehensive income/(expense)		
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods		
Share of other comprehensive income of associates	313,018	69,043
Share of other comprehensive expense of joint ventures	(295)	(221)
Cash flow hedges		
Effective portion of changes in fair value of hedging instruments arising during the year	(75,673)	20,184
Reclassification adjustments for gains included in the consolidated statement of profit or loss	<u>1,024</u>	<u>870</u>
	(74,649)	21,054
Exchange differences on translation of foreign operations	<u>115,740</u>	<u>206,170</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>353,814</u>	<u>296,046</u>
Other comprehensive (expense)/income that may not be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive (expense)/income of associates	(115,373)	14,238
Share of other comprehensive income of joint ventures	<u>-</u>	<u>677</u>
Net other comprehensive (expense)/income that may not be reclassified to profit or loss in subsequent periods	<u>(115,373)</u>	<u>14,915</u>
Other comprehensive income for the year, net of tax	<u>238,441</u>	<u>310,961</u>
Total comprehensive income for the year	<u><u>1,874,607</u></u>	<u><u>1,718,516</u></u>
Attributable to:		
Owners of the Company	1,924,388	1,718,516
Non-controlling interests	<u>(49,781)</u>	<u>-</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	<i>Note</i>	31/12/2024 RMB'000	31/12/2023 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		50,787,669	45,256,774
Investment properties		105,829	104,661
Right-of-use assets		763,005	768,387
Intangible assets		135,630	118,247
Investments in joint ventures		128,694	133,235
Investments in associates		26,905,498	25,668,181
Financial assets at fair value through profit or loss		2,093,635	2,300,347
Finance lease receivables		26,916,607	28,491,377
Derivative financial instruments		33,954	35,609
Deferred tax assets		282,680	261,900
Other long-term prepayments		85,497	170,656
		<hr/>	<hr/>
Total non-current assets		108,238,698	103,309,374
Current assets			
Inventories		2,267,719	2,197,550
Trade and notes receivables	<i>10</i>	2,557,244	1,778,295
Contract assets		6,718	–
Prepayments and other receivables		2,035,663	1,862,121
Financial assets at fair value through profit or loss		34,354	661,647
Finance lease receivables		2,524,940	2,870,565
Factoring receivables		–	16,805
Derivative financial instruments		–	30,998
Restricted and pledged deposits		24,586	3,150
Cash and cash equivalents		8,677,216	13,023,417
		<hr/>	<hr/>
		18,128,440	22,444,548
Assets classified as held for sale		–	177,068
		<hr/>	<hr/>
Total current assets		18,128,440	22,621,616
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

	<i>Note</i>	31/12/2024 RMB'000	31/12/2023 <i>RMB'000</i>
Current liabilities			
Trade and notes payables	<i>11</i>	3,870,652	2,603,395
Other payables and accruals		2,642,846	2,878,261
Contract liabilities		83,607	63,047
Derivative financial instruments		41,996	–
Bank and other borrowings		32,493,803	32,221,992
Lease liabilities		87,209	106,660
Tax payable		151,384	189,441
		39,371,497	38,062,796
Liabilities associated with assets classified as held for sale		–	148,392
Total current liabilities		39,371,497	38,211,188
Net current liabilities		(21,243,057)	(15,589,572)
Total assets less current liabilities		86,995,641	87,719,802
Non-current liabilities			
Bank and other borrowings		43,312,253	49,629,059
Corporate bonds		12,000,000	8,000,000
Lease liabilities		155,936	169,325
Deferred tax liabilities		65,197	17,521
Deferred income		87,632	83,379
Other long-term payables		768,944	536,840
Total non-current liabilities		56,389,962	58,436,124
Net assets		30,605,679	29,283,678
Equity			
Share capital		13,575,939	13,575,939
Treasury shares		(296,465)	(84,206)
Other reserves		17,016,300	15,791,945
Equity attributable to owners of the Company		30,295,774	29,283,678
Non-controlling interests		309,905	–
Total equity		30,605,679	29,283,678

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

1. CORPORATE AND GROUP INFORMATION

COSCO SHIPPING Development Co., Ltd. (the “**Company**”) is a joint stock company with limited liability established in the People’s Republic of China (the “**PRC**”). The address of the Company’s registered office is Room A-538, International Trade Center Lingang Area of the Shanghai Pilot Free Trade Zone, the PRC.

During the year ended 31 December 2024, the principal activities of the Group were as follows:

- (a) Manufacture and sales of containers;
- (b) Operating leasing and financial leasing; and
- (c) Investment management.

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company are China Shipping Group Company Limited and China COSCO Shipping Corporation Limited, respectively, both established in the PRC.

On 10 November 2023, the Group entered into a transfer equity agreement with a fellow subsidiary, pursuant to which the Group agreed to dispose of 100% equity interests of a subsidiary of the Group, Helen Insurance Brokers Limited (“Helen Insurance”). The transaction was completed in 2024. Helen Insurance was accounted as discontinued operation under HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

The consolidated financial statements have been prepared on the going concern basis notwithstanding that the Group had net current liabilities of RMB21,243,057,000 as at 31 December 2024. The directors of the Company are of opinion that based on the available unutilized banking facilities and unutilized quota for the issuance of corporate bonds as at 31 December 2024, the Group will have the necessary liquid funds to finance its working capital and to meet its capital expenditure requirements. Accordingly, the directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2.2 Changes in accounting policies

Except as described below, the material accounting policies and methods of computation used in the preparation of the consolidated financial statements are consistent with the 2023 Annual Financial Statements.

(a) *Amendments and interpretation to existing standards which are effective in 2024 and adopted by the Group*

The following amendments and interpretation to existing standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2024:

2.2 Changes in accounting policies (continued)

(a) *Amendments and interpretation to existing standards which are effective in 2024 and adopted by the Group (continued)*

Amendments to existing standards

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback

The adoption of the above amendments to existing standards and interpretation does not have a material impact to the results and financial position of the Group.

(b) *New standards, amendments, interpretation and improvements to existing standards which have not been adopted*

The following new standards, amendments, interpretation and improvements to existing standards, which are relevant to the operations of the Group, have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2025 but have not been early adopted by the Group:

New standards, amendments, interpretation and improvements

		Effective for accounting periods beginning on or after
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRSs (Amendments)	Annual Improvements – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

None of these is expected to have a significant effect on the consolidated financial statements of the Group.

3. OPERATING SEGMENT INFORMATION

The Group is organized into business units based on their products and services and has three reportable operating segments as follows:

- (a) The container manufacturing business segment, which manufactures and sells containers;
- (b) The shipping leasing and industry-related leasing business segment, which renders vessel chartering, container leasing and finance lease business; and
- (c) The investment management business segment, which focuses on equity or debt investments.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is measured consistently with the Group's profit/loss before tax, excluding unallocated selling and administrative expenses and non-lease-related finance costs and including intersegment transactions.

Segment assets are measured consistently with the Group's assets.

Segment liabilities exclude certain bank and other borrowings and corporate bonds as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Continuing operations	For the year ended 31 December 2024			
	Shipping and industry-related leasing RMB'000	Container manufacturing RMB'000	Investment management business RMB'000	Total RMB'000
Segment revenue				
Sales of containers	–	19,871,857	–	19,871,857
Total revenue from contract with external customers	–	19,871,857	–	19,871,857
Other revenue from external customers	7,514,493	–	24,895	7,539,388
Total segment revenue from external customers	7,514,493	19,871,857	24,895	27,411,245
Intersegment revenue from contracts with customers	–	3,572,684	–	3,572,684
Total segment revenue	7,514,493	23,444,541	24,895	30,983,929
Segment results	1,002,971	852,639	643,459	2,499,069
Elimination of intersegment results				49,809
Unallocated selling, administrative and general expenses				(228,605)
Unallocated finance costs				(772,701)
Profit before tax from continuing operations				1,547,572

3. OPERATING SEGMENT INFORMATION (CONTINUED)

	For the year ended 31 December 2023			
	Shipping and industry-related leasing <i>RMB '000</i>	Container manufacturing <i>RMB '000</i>	Investment management business <i>RMB '000</i>	Total <i>RMB '000</i>
Continuing operations				
Segment revenue				
Sales of containers	–	8,090,455	–	8,090,455
Total revenue from contract with external customers	–	8,090,455	–	8,090,455
Other revenue from external customers	7,432,283	–	10,509	7,442,792
Total segment revenue from external customers	7,432,283	8,090,455	10,509	15,533,247
Intersegment revenue from contracts with customers	–	2,374,758	–	2,374,758
Total segment revenue	<u>7,432,283</u>	<u>10,465,213</u>	<u>10,509</u>	<u>17,908,005</u>
Segment results	528,029	365,483	1,171,234	2,064,746
Elimination of intersegment results				(13,687)
Unallocated selling, administrative and general expenses				(204,455)
Unallocated finance costs				<u>(501,338)</u>
Profit before tax from continuing operations				<u>1,345,266</u>

4. REVENUE

An analysis of revenue and other revenue from continuing operations is as follows:

	2024 <i>RMB '000</i>	2023 <i>RMB '000</i>
Revenue from contracts with customers:		
Sales of containers	<u>19,871,857</u>	8,090,455
Other revenue:		
Shipping leasing	2,297,140	2,473,073
Container leasing	5,217,353	4,959,210
Investment management business	<u>24,895</u>	10,509
Subtotal	<u>7,539,388</u>	7,442,792
Total revenue	<u>27,411,245</u>	<u>15,533,247</u>

4. REVENUE (CONTINUED)

The disaggregation of the Group's revenue from contracts with customers from continuing operations, including sales of goods and rendering of services, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Geographical markets		
Hong Kong, China	3,045,064	1,957,310
Mainland China	3,210,493	1,439,769
Asia (excluding Hong Kong, China and Mainland China)	5,180,181	1,697,746
United States	4,391,388	936,817
Europe	3,913,910	2,034,296
Others	130,821	24,517
	<u>19,871,857</u>	<u>8,090,455</u>
Total revenue from contracts with customers	<u>19,871,857</u>	<u>8,090,455</u>

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Timing of revenue recognition		
Goods transferred at a point in time	<u>19,871,857</u>	<u>8,090,455</u>

5. OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Continuing operations		
Interest income	138,974	132,778
Subsidies	111,817	209,158
Sales of scrap materials	23,743	11,436
Others	26,531	18,144
	<u>301,065</u>	<u>371,516</u>
Total other income	<u>301,065</u>	<u>371,516</u>

6. OTHER GAINS, NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Continuing operations		
Gain on disposal of property, plant and equipment	23,670	23,496
Gain on disposal of investments in joint ventures	172	–
Gain on derecognition of financial assets measured at amortised cost	–	12,926
Gain on disposal of financial assets at fair value through profit or loss	135,875	57,545
Dividend income from financial assets at fair value through profit or loss	9,867	23,812
Changes in fair value of financial assets at fair value through profit or loss	(170,241)	67,517
Donation expenditures for public interest	(25,192)	(25,058)
Net foreign exchange gains	406,910	286,058
Gain on disposal of a subsidiary	4,269	–
Others	859	(3,958)
	<u>386,189</u>	<u>442,338</u>
Total other gains, net	<u>386,189</u>	<u>442,338</u>

7. INCOME TAX EXPENSES/(CREDIT)

According to the Corporate Income Tax (“CIT”) Law of the PRC, which was effective from 1 January 2008, the CIT rate applicable to the Company and its subsidiaries established in the PRC was 25% for the years ended 31 December 2024 and 2023.

Hong Kong profits tax was provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits of the Group’s subsidiaries operating in Hong Kong during the year.

Taxes or profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the Group operates.

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
Continuing operations		
Current income tax:		
Mainland China	194,805	88,926
Hong Kong, China	62,465	8,454
Elsewhere	(156,982)	4,394
	<u>100,288</u>	<u>101,774</u>
Subtotal	100,288	101,774
Deferred income tax	24,778	(133,986)
	<u>125,066</u>	<u>(32,212)</u>
Total	<u><u>125,066</u></u>	<u><u>(32,212)</u></u>

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

For continuing and discontinued operations

Basic and diluted earnings per share from continuing and discontinued operations attributable to the owners of the Company are based on the following data:

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
Earnings		
Profit for the year attributable to the owners of the Company:		
– From continuing operations	1,472,287	1,377,478
– From a discontinued operation	213,660	30,077
	<u>1,685,947</u>	<u>1,407,555</u>
Earnings for the purpose of basic and diluted earnings per share	<u><u>1,685,947</u></u>	<u><u>1,407,555</u></u>
	Number of shares	
	2024 <i>’000</i>	2023 <i>’000</i>
Shares		
Weighted average number of ordinary shares in issue during the year for the purpose of basic earnings per share	13,535,857	13,538,588
Effect of dilutive potential ordinary shares:		
Share options	151	2,719
	<u>151</u>	<u>2,719</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><u>13,536,008</u></u>	<u><u>13,541,307</u></u>

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (CONTINUED)

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit for the year attributed to the owners of the Company	1,685,947	1,407,555
Less:		
Profit for the year from a discontinued operation	<u>213,660</u>	<u>30,077</u>
Profit for the year from continuing operations and earnings for the purpose of basic and diluted earnings per share from continuing operations	<u><u>1,472,287</u></u>	<u><u>1,377,478</u></u>

The denominators used for basic and diluted earnings per share are detailed above.

From discontinued operation

Basic earnings per share from the discontinued operation is RMB1.58 cents per share (2023: RMB0.22 cents per share) and diluted earnings per share from the discontinued operation is RMB1.58 cents per share (2023: RMB0.22 cents per share), based on the profit for the year from the discontinued operation of RMB213,660,000 (2023: RMB30,077,000) and the denominators detailed above for both basic and diluted earnings per share.

9. DIVIDENDS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Paid interim dividend – RMB0.019 (2023: Nil) per ordinary share	257,397	–
Proposed final dividend – RMB0.019 (2023: RMB0.032) per ordinary share	<u><u>253,382</u></u>	<u><u>433,511</u></u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

On 30 August 2024, the board of directors announced the payment of an interim dividend of RMB0.019 per share (inclusive of applicable tax) for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil), totaling RMB257,397,000 calculated based on 13,547,214,320 shares, being the number of issued shares of the Company of 13,575,938,612 as at 30 August 2024 deducting 28,724,292 A shares repurchased by the Company. Such interim dividend had been paid during the year ended 31 December 2024.

On 28 March 2025, the board of directors proposed the payment of a final dividend of RMB0.019 per share (inclusive of applicable tax) for the year ended 31 December 2024 (2023: RMB0.032). As at the date of this announcement, the total share capital of the Company is 13,575,938,612 shares and 240,044,992 shares have been repurchased. Based on 13,335,893,620 shares (being total share capital of the Company less the number of shares repurchased by the Company), the aggregate dividend would amount to RMB253,382,000 (2023: RMB 433,511,000). The final dividend is subject to the approval of shareholders of the Company at the forthcoming annual general meeting of the Company. The proposed dividend has not been recognized as a liability in the consolidated financial statements for the year ended 31 December 2024, but will be reflected as an appropriation of retained profits for the year ending 31 December 2025.

10. TRADE AND NOTES RECEIVABLES

An ageing analysis of the trade and notes receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Within 3 months	2,548,778	1,769,504
3 to 6 months	77	5,818
6 to 12 months	8,389	2,268
Over 1 year	–	705
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Total	2,557,244	1,778,295

11. TRADE AND NOTES PAYABLES

An ageing analysis of the trade and notes payables as at end of the reporting period, based on the invoice date, is as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Within 3 months	3,352,215	2,515,129
3 to 6 months	91,671	33,388
6 to 12 months	2,682	5,110
Over 1 year	424,084	49,768
	<hr/>	<hr/>
Total	3,870,652	2,603,395

MANAGEMENT DISCUSSION AND ANALYSIS

I. CHAIRMAN'S STATEMENT

In 2024, amidst profound adjustments in the global industrial and supply chain landscape and frequent geopolitical disturbances, the shipping industry has demonstrated robust resilience in its development while making significant strides forward on the path of green and low-carbon transformation alongside digital and intelligent advancement. Facing the market environment where challenges and opportunities coexisted, the Company insisted on seeking progress while maintaining stability and improving quality while maintaining stability, achieving steady improvement in operating quality and efficiency, and striding towards the goal of high-quality and sustainable development.

In 2024, the Company achieved an operating revenue of RMB27.411 billion, an increase of 76.47% compared with 2023. Net profit attributable to shareholders of the Company was RMB1.686 billion, an increase of 19.78% compared with 2023. Basic earnings per share amounted to RMB0.1246.

The Company paid an interim dividend of RMB0.019 per share for 2024, and the Board proposed the payment of a final dividend of RMB0.019 per share for 2024, which represented an aggregate dividend of RMB0.038 per share for 2024.

REVIEW OF OPERATIONS

In 2024, the Company focused on enhancing core industrial, financial and investment functions, continuously strengthening the drive of technological innovation, fully excavating green and low-carbon value, dedicating efforts to boosting new quality management performance, and consolidating the bottom line of risk prevention and control. At the same time, the Company actively practiced shareholder returns and jointly promoted the realization of value.

1. ENHANCING THE FUNCTIONS OF "INDUSTRY-FINANCE-INVESTMENT", FURTHER UNLEASHING SYNERGIES ACROSS THE INDUSTRIAL CHAIN

In respect of the container manufacturing business: The Company deeply tapped into the market potential, continued to improve its service capacities, and strived to deepen industrial chain collaboration, so as to achieve a year-on-year growth of 204.08% in container sales throughout the year. Through further expanding "container+" products, actively tackling key problems in the development of new products and materials, the storage containers delivered to leading enterprises in the new energy industry increased by 123.17% year on year. In line with market demand, we optimized the built-in carrier frame and helped the national automobile exports.

In respect of the container leasing business: The scale of the container fleet has been steadily expanded, successfully exceeding 4 million TEU, further consolidating its market position. With a focus on breaking down the barriers between the container leasing and manufacturing industries, the Company promoted the unique marketing model of "free switching between leasing and manufacturing", deepened the cooperation with important customers and expanded the cooperation with new customers, with a year-on-year increase of 112.97% in new leasing orders throughout the year. At the same time, the Company closely conformed to the new trade pattern, expanded more than 10 yard resources, and continuously optimized the global layout of its business network.

In respect of the shipping leasing business: The Company achieved a new breakthrough in the integration of industry and finance, promoted the linkage of “leasing-manufacturing-shipping” in the shipping industry, and invested in the construction and leasing of 42 bulk cargo vessels, achieving a substantial increase in the scale of high-quality ship assets, and contributing long-term stable revenue and cash flow to the Company. Two 700 TEU Yangtze River electric vessels have been put into operation successively, achieving carbon emission reduction of 1,249 tonnes during the year, and creating a demonstration of green, low-carbon and intelligent shipping in inland waterways.

In respect of the investment management business: The Company continued to optimize its investment portfolio and adjust its asset structure and allocation. Centering on the digital intelligence and green development of the shipping industry and focusing on industry chain segments, the Company further improved the shipping assets operation service framework, and facilitated the upgrading of the industrial structure.

2. STRENGTHENING TECHNOLOGY INNOVATION-DRIVEN GROWTH TO ACCELERATE DIGITAL-INTELLIGENT DEVELOPMENT

New breakthroughs have been achieved in scientific and technological research and development. The Company actively created new quality productivity in industry and finance, and the digital intelligence empowered us to build up momentum. In 2024, the Company invested a total of RMB243 million in scientific and technological research and development, and the new invention patents applied for and obtained increased by 69.23% year on year. The Company accelerated the construction of innovation platforms, and Shanghai Universal Logistics Technology Co., Ltd. (上海寰宇物流科技有限公司) passed the assessment for Shanghai’s specialized, sophisticated, distinctive and innovative enterprises. The influence of scientific and technological innovation achievements has been further enhanced. Two proposals, including “Application and Prospect of Replaceable Lithium Battery Storage Cabinet Technology”, were recognized by the International Maritime Organization, making China’s voice heard for promoting the development of the international electric vessel industry.

Digital empowerment achieved new advances. The iFlorens digital operation platform has continuously explored the practice of industrial chain operation management, and has been connected to the container management system of the industrial chain, which has pushed the dynamics of over 190,000 TEU containers, and effectively enhanced the response efficiency of the customers of the industrial chain in terms of the use of containers and the accuracy of container allocation. The container digital disposal project was awarded the third prize of the 4th Central Enterprises Stars Innovation and Creativity Contest organized by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).

Intelligent manufacturing has risen to new heights. The Company has actively promoted the implementation of more than 100 various technical reform projects, effectively improving service efficiency. DFIC Ningbo was awarded the Level 3 Assessment Certificate of China Manufacturing Maturity Model, becoming the first enterprise in the container manufacturing industry to pass the standard; DFIC Qidong was awarded the “Best Innovative Enterprise in China’s Energy Storage Industry in 2024”; and DFIC Qingdao was selected as one of the “National 5G Factories”.

3. ANCHORING GREEN AND LOW-CARBON TRANSFORMATION, FURTHER HIGHLIGHTING THE RESULTS OF VALUE CONVERSION

To strengthen green production, the Company has accelerated the green and low-carbon upgrading of production equipment and processes, which has realized the full coverage of provincial green factories in 6 container factories, of which 4 have been evaluated as national green factories. **To expand green business**, the Company has established the world's first Container Carbon Footprint and Environmental Product Declaration (CFP & EPD) platform, which has attracted nearly 100 industrial chain enterprises to join, and released a total of 25 EPD certification reports, 15 CFP reports and 7 Product-Category Rules (PCR). The Company released its first green container label, which was promoted and applied to approximately 36,000 containers. **To incubate green assets**, the Company has actively explored the value of carbon reduction data of electric vessels and issued the first Certificate of Greenhouse Gas Emission Reduction in the domestic shipping industry in China in cooperation with the China Quality Certification Centre (CQC) to meet the demand of customers for quantitative emission reduction. **To innovate green financing**, the Company has launched the world's first container full industrial chain transformation financial project and the country's first water transportation industry transformation financial loan, and successfully issued the first low-carbon transformation corporate bonds for shipping enterprises, effectively contributing to the sustainable development of the industry and finance business.

4. STEADILY ENHANCING SHAREHOLDER RETURNS AND FURTHER EXPANDING VALUE REALIZATION PATHWAYS

The Company has always adhered to the market value management concept with value creation as the core, actively implemented the relevant spirit of regulatory guidelines, and created greater value for shareholders on the basis of accumulating long-term and stable growth momentum. We have taken multiple measures and made concerted efforts to promote value creation and value realization, improving the market value management system and scientific and standardized market value management behaviors. The Company has implemented a series of measures to improve quality and efficiency to increase endogenous growth, and strengthened multi-dimensional shareholder returns to enhance the Company's investment value.

In 2024, the Company achieved the sixth consecutive year of annual dividend distribution and the first interim dividend distribution, and paid a cash dividend of RMB690 million during the year. The Company actively explored the "toolbox" of market value management and launched H-share and A-share repurchases based on the firm belief in the steady and sustainable development of the future. To date, we have repurchased a total of 147 million H shares and 64 million A shares, totalling 211 million shares and with a repurchase amount of approximately RMB306 million, further enriching the return channels for investors and promoting the reasonable return of the Company's market value.

5. DEDICATED TO REFINING ESG GOVERNANCE TO ELEVATE SUSTAINABLE DEVELOPMENT

The Company has consistently adhered to the concept of sustainable development to guide solid development and innovative practices, and has vividly written a new chapter in ESG governance. In 2024, the Company successively won more than 10 honors in the ESG field: it was awarded the "A" rating from China Reform ESG rating and the "ESG Competitiveness Model – Dual Carbon Pioneer" of 2024 Golden Bee, remained in S&P Global's "Sustainability Yearbook (China Edition)", and was included in CCTV's "Yangtze River Delta ESG • Top 50 Pioneer" list. Meanwhile, the Company was actively concerned about social well-being, and actively participated in rural revitalization with industrial advantages. The Company has built a container canteen for the No. 1 Primary School of Lajiu Township, Luolong County, Changdu City, Tibet, to provide a warm and spacious dining environment for children on the roof of the world. At the same time, the Company assisted in the construction of cultural tourism post station of national highway, adding green vitality to tourism through renewable energy utilization.

6. ACTIVELY BUILDING NEW QUALITY MANAGEMENT TO FURTHER STRENGTHEN THE FOUNDATION FOR HIGH-QUALITY DEVELOPMENT

The Company has continuously deepened new quality management, coordinated the use of management tools including KPI, OKR, benchmarking, and digitalization, and focused on empowering key links in the Company's business management to achieve multi-dimensional optimization and improvement in the industrial chain, supply chain, capital chain, and value chain.

Meanwhile, the Company actively promoted new breakthroughs in the integration of the rule of law and risk prevention and control with operation and management, pushed forward the integration of risk assessment, system construction, compliance management and internal control supervision, and established a sound management system for early warning, prevention and emergency response of international risks, promoting a leap in the quality and efficiency of legal risk control. In addition, the Company has solidly promoted the action of tackling the root causes of safety production. The six container factories under the Company have all been awarded the honorary title of "National Safety Culture Construction Demonstration Enterprise", and the safety foundation for high-quality development continued to be consolidated.

OUTLOOK

In 2025, as the global economic landscape evolves rapidly and the external environment becomes increasingly complex and challenging, the shipping industry will confront the accelerated restructuring of global supply chains and industrial chains. By embracing technological innovation as a key driving force, it will continuously seek new balance and development amidst uncertainties and transitional opportunities.

Looking ahead, we will continue to focus on consolidating the foundation of shipping industry-finance integration while diversifying empowerment to forge differentiated competitive advantages. The container manufacturing segment will accelerate its transition towards high-end, intelligent and green development. The container leasing segment will enhance asset profitability and earnings stability through innovative operational models. The shipping leasing segment will deepen integration into shipping industry chains and value chains while strengthening specialized operational capabilities. We will intensify efforts in green-digital convergence, vigorously expand artificial intelligence application scenarios, and cultivate new quality productive forces in shipping industry-finance. Concurrently, guided by value creation principles, standardized governance frameworks, and investor return orientation, we will explore multi-path approaches for market value management and embrace the philosophy of sustainable development.

With a new journey setting sail and renewed momentum for departure, by anchoring in our strategic positioning of building a world-class integrated shipping industrial-financial operator, we will uphold the principle of value co-creation, adopt a pragmatic yet pioneering approach, and maintain an innovative advancement momentum. With steadfast commitment to long-term goals, we will advance steadily on the new journey of high-quality development.

II. DEVELOPMENT STRATEGY

The Company will revolve around the main line of the shipping and logistics industry and focus on an integrated development model with container manufacturing, container leasing, and shipping leasing as core businesses, and investment management as support. Aligned with COSCO SHIPPING Group's vision of "accelerating the building of a world-class shipping technology enterprise," the Company will adhere to the principle of "integrating industry and finance to promote industrial development", leverage technological innovation as a key driver, and concentrate on two major tracks – digital intelligence and green and low-carbon transformation in order to comprehensively enhance service quality and efficiency, strengthen risk prevention and control, deepen management innovation, continuously improve core functions of "industry, finance and investment", boost the core competitiveness of industry-finance integration, and strive to build itself into a world-class shipping industry-finance operator with features of COSCO SHIPPING.

In terms of container manufacturing business, the Company will advance continuous upgrades of intelligent manufacturing, leverage technological innovation and green and low-carbon transformation to establish advantages in cost, product and technology. By deepening synergies between container leasing and manufacturing and enhancing the "container+" customization capabilities, the Company will strengthen its core competitiveness of the trinity of "standard containers + reefer containers + special containers" to build a world-leading logistics equipment technology enterprise.

In terms of container leasing business, the Company will further enhance full lifecycle asset operation capabilities for containers, leverage synergies across the industry chain such as "leasing-manufacturing" and "leasing-transportation". The Company will analyze the container market cycles, continuously optimize product portfolios, accelerate digital transformation, expand business scale steadily, further strengthen global service network layouts, and consolidate its leading position in the global container leasing industry.

In terms of shipping leasing business, the Company will actively seize opportunities from the green and low-carbon transformation of the shipping industry. By optimizing internal and external resource allocation and actively collaborating with shipping industry chain partners, the Company will focus on full lifecycle service demands for various shipping assets, strengthen its "purchase, lease, finance and sale" industrial-financial service capabilities, and deliver premium solutions for shipping development, so as to continue to solidify its leading position in the ship leasing industry in China.

In terms of investment management business, the Company will uphold the principle of "investment promoting industry and industry-finance integration" to promote the convergence of industrial resources, capital and financial resources. The Company will further optimize asset structures, continue to explore innovative investment models, improve the layout of strategic emerging industries, empower shipping industry chain synergy, and promote coordinated development between capital and industry.

III. MAJOR RISKS AND COUNTERMEASURES

1. MARKET VOLATILITY RISK

In 2025, the global shipping market will continue to face uncertainty, with trade protectionism, tariff policy, inflation level and geopolitical factors posing challenges to the global commodity trade order, and the imbalance between supply and demand in the shipping market will affect the container leasing and manufacturing market and the ship leasing market, posing risks to the Company's business operations.

The Company will continue to improve the market monitoring system, capture market dynamic changes in a timely manner, actively optimize resource allocation, flexibly adjust business layout, strengthen collaboration with upstream and downstream partners and enhance its overall risk-resistant capability, so as to ensure that market volatility risks are controllable, and the Company's operations are stable.

2. POLITICAL AND POLICY RISK

At present, the stability of the upstream and downstream of the shipping market industry chain is facing various challenges due to multiple factors such as supply chain relations between major countries, geopolitical situation, trade protectionist policies, and energy security, which have an impact on the Company's production, operation and financial costs.

The Company will pay close attention to changes in the international political situation, conduct in-depth studies on the policy directions of various countries, and formulate flexible response strategies to ensure that political policy risks can be controlled. At the same time, through diversified market layout and supply chain optimization, the Company will reduce its reliance on a single market or customer and enhance its adaptability and resilience to risks in a complex political environment.

3. CREDIT RISK

Credit risk is the risk that a company suffers unexpected losses due to the counterparty's inability to fulfill or fail to fulfill its contractual obligations on time, or adverse changes in the counterparty's credit status.

The Company will continue to improve the customer credit management system, strengthen the risk early warning mechanism, and at the same time strengthen communication and cooperation with customers to ensure that credit risks are controllable.

4. EXCHANGE RATE FLUCTUATION RISK

In 2025, the global exchange rate market is full of uncertainties. Factors such as adjustments in the monetary policies of major economies and its changes in interest rate differentials as well as geopolitical situations may have an impact on exchange rates, which in turn may expose the Company to exchange rate risk in international trade settlements.

In order to effectively manage the risk of exchange rate fluctuations, the Company has comprehensively used financial instruments for risk hedging, optimized the structure of foreign currency assets and liabilities, and reduced the impact of exchange rate fluctuations on its financial condition. At the same time, the Company will continue to strengthen the capacity building of exchange rate risk management and improve the overall professional quality and response level.

5. STRATEGY RISK

Strategy risk refers to the risk that the actual results of the selection and implementation of the strategy may deviate from the expected goal of the strategy due to uncertainties in the internal and external environment of the Company.

The Company has set up and continually improved its working procedures for strategy risk management to identify, analyze and monitor strategy risk. On the basis of fully considering the factors such as the Company's market environment, customer profiling, its risk appetite and capital position, the Company has formulated and regularly reviewed strategic plans to strengthen its implementation.

IV. FINANCIAL REVIEW OF THE GROUP

The Group recorded revenue of RMB27,411,245,000 during the Period, representing an increase of 76.47% as compared with revenue of RMB15,533,247,000 for the same period of last year; profit before income tax from continuing operations amounted to RMB1,547,572,000, representing an increase of 15.04% as compared with profit of RMB1,345,266,000 for the same period of last year; profit attributable to owners of the Company for the year amounted to RMB1,685,947,000, representing an increase of 19.78% as compared with the profit of RMB1,407,555,000 for the same period of last year.

Analysis of segment results is as follows:

Unit: RMB'000

Segment	Revenue			Cost		
	2024	2023	Change (%)	2024	2023	Change (%)
Container manufacturing business	23,444,541	10,465,213	124.02	22,334,955	9,862,882	126.45
Container leasing business	5,217,353	4,959,210	5.21	3,233,101	2,842,447	13.74
Shipping leasing business	2,297,140	2,473,073	(7.11)	817,938	884,392	(7.51)
Investment management business	24,895	10,509	136.89	3,500	1,909	83.34
Offset amount	(3,572,684)	(2,374,758)	50.44	(3,622,493)	(2,358,537)	53.59
Total	27,411,245	15,533,247	76.47	22,767,001	11,233,093	102.68

1. ANALYSIS OF CONTAINER MANUFACTURING BUSINESS

1) Operating Revenue

The operating revenue from the container manufacturing business amounted to RMB23,444,541,000, representing an increase of 124.02% as compared with the revenue of RMB10,465,213,000 for the same period of last year, mainly due to increased demand for new containers as a result of recovery in the container market. During the Period, the aggregate container sales were 1,795,900 TEU, representing an increase of 204.08% as compared with 590,600 TEU for the previous period.

2) Operating Costs

Operating costs of the container manufacturing business mainly consist of raw material costs, transportation costs, employee compensation and depreciation expenses. The operating costs amounted to RMB22,334,955,000 for the year ended 31 December 2024, representing an increase of 126.45% as compared with the costs of RMB9,862,882,000 for the same period of last year. Such increase was mainly due to the corresponding increase in production costs, such as materials and labour, as a result of the increase in sales volume.

2. ANALYSIS OF CONTAINER LEASING BUSINESS

1) Operating Revenue

The Group recorded revenue from the container leasing, management and sales business of RMB5,217,353,000, representing an increase of 5.21% as compared with the revenue of RMB4,959,210,000 for the same period of last year, which was mainly due to the year-on-year increase in the Company's container leasing volume in line with the recovery of the container market.

2) Operating Costs

Operating costs of the container leasing business mainly include the depreciation and maintenance costs of containers, net carrying value of sale of containers returned upon expiry and interest costs of finance lease business. The operating costs for the year ended 31 December 2024 amounted to RMB3,233,101,000, representing an increase of 13.74% as compared with the costs of RMB2,842,447,000 for the same period of last year, which was mainly due to the year-on-year increase in container depreciation costs as a result of the growth in the size of container assets during the Period.

3. ANALYSIS OF SHIPPING LEASING BUSINESS

1) Operating Revenue

The Group recorded operating revenue from the ship leasing business of RMB2,297,140,000, representing a decrease of 7.11% as compared with the revenue of RMB2,473,073,000 for the same period of last year, which was mainly due to the year-on-year decrease in the size of the fleet under finance leases. As at 31 December 2024, the Company's ship operating lease assets remained stable, while the number of ship finance lease assets decreased by 4.39% year-on-year.

2) Operating Costs

The cost of the ship leasing business mainly comprised depreciation of ships and interest expenses. Operating costs of the shipping leasing business amounted to RMB817,938,000, representing a decrease of 7.51% as compared with the costs of RMB884,392,000 for the same period of last year, which was mainly due to the year-on-year decrease in the size of the fleet under finance leases.

4. ANALYSIS OF INVESTMENT MANAGEMENT BUSINESS

As of 31 December 2024, for details of analysis of the Company's equity investment business, please refer to the section headed "Significant Investment in Equity".

GROSS PROFIT

Due to the above reasons, the Group recorded gross profit of RMB4,644,244,000 for the year ended 31 December 2024 (gross profit for the same period of last year: RMB4,300,154,000).

SIGNIFICANT INVESTMENT IN EQUITY

As at 31 December 2024, the carrying value of the Company's external equity investments amounted to RMB27,034,192,000, representing an increase of RMB1,232,776,000 or 4.78% as compared with that as at the beginning of the Period, which was mainly attributable to recognition of investments in associates in the Period.

As at 31 December 2024, the carrying value of the Company's financial assets measured at fair value amounted to RMB2,127,989,000, representing a decrease of RMB834,005,000 or 28.16% as compared with that as at the beginning of the Period, which was mainly due to the disposal of certain stocks and recognition of changes in fair value of financial assets during the reporting Period.

In 2024, the Company realized investment income of RMB1,518,423,000, representing a decrease of 3.66% as compared with RMB1,576,039,000 for the same period of last year, which was mainly attributable to the year-on-year decline in the operating results of associates.

In 2024, the gain on changes in fair value amounted to RMB-170,241,000, representing a decrease of RMB237,758,000 as compared with that for the same period last year, mainly due to the decrease in the valuation of the Company's financial asset investments resulted from fluctuations in the capital market.

1. Shareholdings in Other Listed Companies

Stock code	Company name	Investment cost (RMB)	Shareholding at the beginning of the Period (%)	Shareholding at the end of the Period (%)	Book value at the end of the Period (RMB)	Gain during the Period (RMB)	Changes in other reserve during the Period (RMB)	Gain from disposal (RMB)	Dividends received during the Period (RMB)	Accounting ledger	Sources of the shareholding
09668	China Bohai Bank Co., Ltd.	5,749,379,000	11.12	11.12	11,014,525,000	500,947,000	490,301,000	-	-	Investment in associates	Purchase
601818/06818	China Everbright Bank Co., Ltd.	3,398,255,000	1.23	1.23	5,871,123,000	451,965,000	105,943,000	-	125,252,000	Investment in associates	Purchase
000039/02039	China International Marine Containers (Group) Co., Ltd.	747,363,000	1.53	-	-	-	-	57,587,000	-	Financial assets at fair value through profit or loss	Purchase
600179	Antong Holdings Co., Ltd.	49,023,000	0.27	0.27	32,212,000	3,797,000	-	-	-	Financial assets at fair value through profit or loss	Purchase
600390	Minmetals Capital Co., Ltd.	547,727,000	1.44	-	-	23,997,000	-	78,032,000	-	Financial assets at fair value through profit or loss	Purchase
Total		10,491,747,000	/	/	16,917,860,000	980,706,000	596,244,000	135,619,000	125,252,000		

2. Shareholdings in Financial Enterprises

Name of investee	Investment cost (RMB)	Shareholding at the beginning of the Period (%)	Shareholding at the end of the Period (%)	Book value at the end of the Period (RMB)	Gain during the Period (RMB)	Changes in other reserve during the Period (RMB)	Gain from disposal (RMB)	Dividends received during the Period (RMB)	Accounting ledger	Sources of the shareholding
Bank of Kunlun Co., Ltd.	1,077,153,000	3.74	3.74	1,619,011,000	63,721,000	38,758,000	-	30,768,000	Investment in associates	Purchase
CIB Fund Management Co., Ltd.	100,000,000	10.00	10.00	506,108,000	42,566,000	-	-	5,000,000	Investment in associates	Purchase
Shanghai Haisheng Shangshou Financial Leasing Co., Ltd.	137,284,000	25.00	25.00	65,465,000	3,288,000	-	-	-	Investments in joint ventures	Purchase
COSCO SHIPPING Finance Company Limited	2,914,166,000	13.38	13.38	3,349,358,000	139,802,000	5,003,000	-	53,910,000	Investment in associates	Purchase
Powchan Financial Group Co., LTD.	3,575,320,000	40.81	40.81	4,094,174,000	312,574,000	-	-	232,006,000	Investment in associates	Purchase
Total	7,803,923,000	/	/	9,634,116,000	561,951,000	43,761,000	-	321,684,000		

(a) Summary of principal business of the investees in the investments

Name of Investee	Exchange	Principal business
China Bohai Bank Co., Ltd.	The Stock Exchange of Hong Kong Limited (“ Hong Kong Stock Exchange ”)	Banking business
Bank of Kunlun Co., Ltd.	/	Banking business
Powchan Financial Group Co., LTD.	/	Leasing business
CIB Fund Management Co., Ltd.	/	Fund management business
COSCO SHIPPING Finance Company Limited	/	Banking business
Shanghai Haisheng Shangshou Financial Leasing Co., Ltd.	/	Leasing business
China International Marine Containers (Group) Co., Ltd.	Shenzhen Stock Exchange/ Hong Kong Stock Exchange	Manufacture and sale of containers
Antong Holdings Co., Ltd.	Shanghai Stock Exchange	Logistic business
China Everbright Bank Co., Ltd.	Shanghai Stock Exchange/ Hong Kong Stock Exchange	Banking business
Minmetals Capital Co., Ltd.	Shanghai Stock Exchange	Integrated financial business

The capital market was volatile in 2024. The Company expects that the investment portfolio of the Group (including the above major investments) will be subject to, among other things, the movement of interest rates, market factors and overall economic performance. Moreover, the market value of individual shares will be affected by relevant companies' financial results and development plan as well as the prospects of the industry where they operate. To mitigate relevant risks, the Group will take appropriate measures as and when necessary and adjust its investment strategies in a timely manner in response to the changes in market conditions.

INCOME TAX

According to the Corporate Income Tax Law of the PRC, which was effective from 1 January 2008, the CIT rate applicable to the Company and its subsidiaries established in the PRC was 25% for the years ended 31 December 2024 and 2023.

Hong Kong profits tax was provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits of the Group's subsidiaries operating in Hong Kong during the year.

Taxes or profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the Group operates.

SELLING, ADMINISTRATIVE AND GENERAL EXPENSES

For the year ended 31 December 2024, the Group's selling, administrative and general expenses were RMB1,182,444,000, representing a decrease of 7.30% as compared with the expenses for the same period of last year, which was mainly attributable to the optimization of the resources allocation and the enhancement of cost management during the Period.

OTHER GAINS, NET

For the year ended 31 December 2024, other gains of the Group were RMB386,189,000, representing a decrease of RMB56,149,000 as compared with other gains of RMB442,338,000 for the same period of last year, which was mainly due to the year-on-year decrease in the fair value of financial assets held during the Period.

PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the year ended 31 December 2024, the profit for the year attributable to owners of the Company was RMB1,685,947,000, representing an increase of 19.78% as compared with the profit of RMB1,407,555,000 for the same period of last year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Analysis of Liquidity and Borrowings

The Group's principal sources of liquidity are cash flow from operating business and short-term bank borrowings. The Group's cash is mainly used for expenses of operating cost, repayment of borrowings, procurement of containers and support of the Group's financial leasing business. During the Period, the Group's net operating cash inflow was RMB6,704,059,000. As at 31 December 2024, the Group's cash and cash equivalents were RMB8,677,216,000.

As at 31 December 2024, the Group's total bank and other borrowings amounted to RMB75,806,056,000, with RMB32,493,803,000 repayable within one year, RMB23,912,089,000 repayable within the second year, RMB15,018,001,000 repayable within the third to fifth year and RMB4,382,163,000 repayable after five years. The Group's long-term bank and other borrowings were mainly used for carrying out finance leasing business, acquisition of vessel, purchase of containers. As at 31 December 2024, the Group's long-term bank and other loans were secured by certain containers and vessels with an aggregate value of RMB20,734,424,000 and guaranteed by finance lease receivables with an aggregate value of RMB4,343,206,000.

As at 31 December 2024, the Group held corporate bonds payable totaling RMB12,000,000,000 and the proceeds raised from the bonds were used for repayment of debts as they fell due.

The Group's RMB-denominated borrowings at fixed interest rates amounted to RMB4,854,304,000. USD-denominated borrowings at fixed interest rates amounted to USD1,392,681,000 (equivalent to approximately RMB10,011,148,000), RMB-denominated borrowings at floating interest rates amounted to RMB11,452,300,000, and USD-denominated borrowings at floating interest rates amounted to USD6,884,467,000 (equivalent to approximately RMB49,488,304,000). The Group's borrowings are settled in RMB or USD while its cash and cash equivalents are primarily denominated in RMB and USD.

The Group expects that capital needs for regular liquidity and capital expenditure can be funded by the internal cash flow of the Group or external financing. The Board will review the operating cash flow of the Group from time to time. It is the intention of the Group to maintain an appropriate composition of equity and debt to ensure an effective capital structure.

Net Current Liabilities

As at 31 December 2024, the Group's net current liabilities amounted to RMB21,243,057,000. Current assets mainly included inventories of RMB2,267,719,000; trade and notes receivables of RMB2,557,244,000; contract assets of RMB6,718,000; prepayments and other receivables of RMB2,035,663,000; financial assets at fair value through profit or loss of RMB34,354,000; the current portion of finance lease receivables of RMB2,524,940,000; cash and cash equivalents of RMB8,677,216,000; restricted deposits of RMB24,586,000. Current liabilities mainly included trade and notes payables of RMB3,870,652,000; other payables and accruals of RMB2,642,846,000; contract liabilities of RMB83,607,000; tax payable of RMB151,384,000; the current portion of bank and other borrowings of RMB32,493,803,000; the current portion of lease liabilities of RMB87,209,000; derivative financial instruments of RMB41,996,000.

Cash Flows

For the year ended 31 December 2024, the Group's net cash inflow generated from operating activities was RMB6,704,059,000, denominated principally in RMB and USD, representing an increase of RMB1,389,699,000 as compared with the net cash inflow generated from operating activities of RMB5,314,360,000 for the corresponding period of 2023. The cash inflow generated from financing activities of the Group for the Period was mainly derived from bank and other borrowings and such funds were used mainly for short-term operation and the purchase and construction of vessels and containers. The balance of cash and cash equivalents as at 31 December 2024 decreased by RMB4,346,340,000 as compared with that at the beginning of the Period, mainly due to optimization of the capital structure and reduction in the scale of liabilities.

The following table provides the information regarding the Group's cash flow for the years ended 31 December 2024 and 31 December 2023:

	<i>Unit: RMB</i>	
	2024	2023
Net cash generated from operating activities	6,704,059,000	5,314,360,000
Net cash (used in)/generated from investing activities	(3,113,127,000)	962,726,000
Net cash used in financing activities	(8,293,151,000)	(8,927,755,000)
Impact of changes in exchange rate on cash	355,879,000	233,665,000
	<hr/>	<hr/>
Net cash and cash equivalents	<u>(4,346,340,000)</u>	<u>(2,417,004,000)</u>

Net Cash Generated from Operating Activities

For the year ended 31 December 2024, the net cash inflow generated from operating activities was RMB6,704,059,000, representing an increase of RMB1,389,699,000 as compared with the net cash inflow generated from operating activities of RMB5,314,360,000 for the same period of last year. The increase was mainly due to the increase in market demand, revenue growth, and accelerated collection of payments in the container leasing and manufacturing sector.

Net Cash (Used in)/Generated from Investing Activities

For the year ended 31 December 2024, the net cash outflow used in investing activities was RMB3,113,127,000, representing an increase of net cash outflow of RMB4,075,853,000 as compared with the net cash inflow used in investing activities of RMB962,726,000 for the same period of last year. This was mainly due to the promotion of industry-finance integration project and the investment outflow for purchasing and building ships.

Net Cash Used in Financing Activities

For the year ended 31 December 2024, the net cash outflow used in financing activities was RMB8,293,151,000, representing a decrease of RMB634,604,000 as compared with the net cash outflow used in financing activities of RMB8,927,755,000 for the same period of last year. This was mainly because the Company continued to implement the work of “deleveraging and curtailing liabilities” to use our best endeavours to optimize the capital structure and reduce the scale of liabilities. During the year ended 31 December 2024, the Group borrowed bank and other borrowings amounting to RMB41,268,909,000, repaid bank and other borrowings amounting to RMB48,196,899,000, and issued additional bonds amounting to RMB4,000,000,000 during the Period.

USE OF PROCEEDS AND FUTURE PLANS

As approved by the Approval on the Acquisition of Assets through Issuance of Shares of COSCO SHIPPING Development Co., Ltd. to COSCO SHIPPING Investment Holdings Co., Ltd. and Raising Ancillary Funds (Zheng Jian Xu Ke [2021] No. 3283) (《關於核准中遠海運發展股份有限公司向中遠海運投資控股有限公司發行股份購買資產並募集配套資金申請的批覆》(證監許可[2021]3283號)) issued by the China Securities Regulatory Commission, the Company non-publicly issued 530,434,782 RMB ordinary shares (A shares) to 8 eligible investors, including China Shipping Group Company Limited, at the issue price of RMB2.76 per share (the “**Issuance**”). Total proceeds from the Issuance were RMB1,463,999,998.32 and net proceeds were RMB1,460,904,954.84, net of issue cost of RMB3,095,043.48 (including value-added tax).

Such proceeds were fully received on 16 December 2021 and receipt of proceeds from the Issuance was verified by ShineWing Certified Public Accountants LLP, who issued a Capital Verification Report on the Proceeds from the Non-public Issuance of Shares of COSCO SHIPPING Development Co., Ltd. (No. XYZH/2021BJAA131539) in this regard on 17 December 2021. To regulate the management of the proceeds and protect the legitimate rights and interests of investors, a Tripartite Supervision Agreement for the Designated Accounts for Proceeds and a Quadripartite Supervision Agreement for the Designated Accounts for Proceeds were entered into among the Company, the subsidiaries implementing the proceeds investment projects, the independent financial adviser and the bank opening a special account for the proceeds, pursuant to which a special account for the proceeds was opened up for the purpose of placing such proceeds only.

As of 31 December 2024, the use of the proceeds is as follows:

		<i>Unit: RMB</i>
Item		Amount of proceeds
Net proceeds		1,460,904,954.84
Accumulated proceeds used as at the beginning of the Period	Amount of projects financed by the proceeds	1,210,884,865.84
	Replacement of the pre-invested internal funds with the proceeds	230,811,074.74
	Bank charges	5,069.03
	Interest income	1,377,258.16
Balance in the special account for proceeds as of 31 December 2023		20,581,203.39
Amount used in the Year	Amount of projects financed by the proceeds	20,605,397.01
	Bank charges	911.00
	Interest income	27,449.08
	Transfer of permanent supplementary working capital	2,344.46
Accumulated proceeds used as at the end of the Period	Amount of projects financed by the proceeds	1,462,301,337.59
	Bank charges	5,980.03
	Interest income	1,404,707.24
	Transfer of permanent supplementary working capital	2,344.46
Balance in the special account for proceeds as of 31 December 2024		—

To regulate the management, storage and use of proceeds and protect the legitimate rights and interests of investors, the Company has formulated the Proceeds Management Policies according to the Measures for the Administration of the Funds Raised by Listing Companies on the Shanghai Stock Exchange (《上海證券交易所上市公司募集資金管理辦法》) and the Regulatory Guidelines for Listed Companies No. 2 – Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies (《上市公司監管指引第 2 號 – 上市公司募集資金管理和使用的監管要求》) and other laws and regulations.

According to the Proceeds Management Policies, the Company implemented special account placement for the proceeds. A special bank account has been opened with China Development Bank Shanghai Branch for the exclusive deposit, management and utilization of the proceeds. A Tripartite Supervision Agreement for the Designated Accounts for Proceeds was entered into among the Company, China International Capital Corporation Limited as the independent financial adviser and China Development Bank Shanghai Branch in January 2022. There is no material difference between such agreement and the Tripartite Supervision Agreement for the Designated Accounts for Proceeds (Template) of the Shanghai Stock Exchange.

In addition, Dong Fang International Container (Qidong) Co., Ltd. (寰宇東方國際集裝箱(啟東)有限公司), Dong Fang International Container (Qingdao) Co., Ltd. (寰宇東方國際集裝箱(青島)有限公司), Dong Fang International Container (Ningbo) Co., Ltd. (寰宇東方國際集裝箱(寧波)有限公司) and Shanghai Universal Logistics Technology Co., Ltd. (上海寰宇物流科技有限公司), as the subsidiaries of project implementation entities of the Company, have opened up a special account for the proceeds with Bank of China Limited, Shanghai Branch for the exclusive deposit, management and utilization of the proceeds. In February 2022, they entered into the Quadripartite Supervision Agreement for the Designated Accounts for Proceeds with the Company, China International Capital Corporation Limited as the independent financial adviser and Bank of China Limited, Shanghai Branch. There is no material difference between such agreement and the Tripartite Supervision Agreement for the Designated Accounts for Proceeds (Template) of the Shanghai Stock Exchange.

As of 31 December 2024, the amounts in the proceeds accounts numbered 31001560021137250000, 454682512528, 439082519935, 440382523907 and 439082531816 were fully utilized and such accounts were cancelled.

As of 31 December 2024, the actual utilization of the proceeds was as follows:

Unit: RMB'0,000

Item	Total committed investment of proceeds	Investment committed as of the end of the Period	Investment accumulated as of the end of the Period	Difference between the investment accumulated and the investment committed as of the end of the Period	Date of project reaching the scheduled usable status
Production lines technology transformation project	19,400.00	19,400.00	19,422.10	22.10	May 2023
Container production lines technology transformation project	20,000.00	20,000.00	20,033.55	33.55	July 2023
Logistics equipment transformation project	9,200.00	9,200.00	9,233.00	33.00	May 2024
Information system upgrade and setup project	8,800.00	8,800.00	8,820.74	20.74	May 2023
Replenishment of the working capital of the Company	89,000.00	88,690.50	88,720.74	30.24	N/A
Permanent replenishment of the working capital	-	-	0.23	0.23	
Total	<u>146,400.00</u>	<u>146,090.50</u>	<u>146,230.36</u>	<u>139.86</u>	<u>-</u>

As of 31 December 2024, the use and intended use of proceeds from the Issuance were in line with the use of proceeds as previously disclosed. For the details of intended use of proceeds from the Issuance, please refer to the circular of the Company dated 24 May 2021 and the relevant overseas regulatory announcements.

Trade and Notes Receivables

As at 31 December 2024, the Group's net amount of trade and notes receivables was RMB2,557,244,000, representing an increase of RMB778,949,000 as compared with the same period last year, of which notes receivables decreased by RMB1,397,000, and trade receivables increased by RMB780,346,000, which was mainly due to the increase in receivables for containers sales as a result of the increasing demand in containers market.

Gearing Ratio Analysis

As of 31 December 2024, the Company's net gearing ratio (i.e. net debts over shareholders' equity) was 259.3%, which was lower than that of 263.3% last year. The decrease in net gearing ratio was mainly due to the reduction in the scale of liabilities during the Period.

Foreign Exchange Risk Analysis

Revenues and costs of the Group's container manufacturing, container leasing and shipping leasing operations are settled or denominated in USD. As a result, the impact on the net operating revenue due to RMB exchange rate fluctuation can be offset by each other to a certain extent. For the Period, the Group recorded an exchange gain of RMB406,910,000, which was mainly due to fluctuations of the USD exchange rate during the Period; the increase in exchange difference which was charged to equity attributable to shareholders of the parent company amounted to RMB115,740,000. The Group will continue to closely monitor the exchange rate fluctuation of RMB and major international settlement currencies in the future to reduce exchange rate exposure and thus minimize the impact of exchange rate fluctuation.

Capital Expenditures

For the year ended 31 December 2024, the Group's expenditures on the acquisition of containers, machinery and equipment, ships and other expenditures amounted to RMB7,696,072,000, expenditures on the acquisition of finance lease assets amounted to RMB2,219,351,000.

Capital Commitments

As at 31 December 2024, the Group had RMB10,494,678,000 in capital commitment to fixed assets which had been contracted but not provided for, and the Group entered into an investment agreement and the unpaid subscribed investment amount was RMB67,378,000.

Pledge

As at 31 December 2024, certain container vessels and containers with net carrying value of approximately RMB20,734,424,000 (31 December 2023: RMB20,065,989,000), finance lease receivables of RMB4,343,206,000 (31 December 2023: RMB8,286,209,000) and restricted deposits of RMB934,000 (31 December 2023: RMB2,953,000) of the Group were pledged for the grant of bank borrowings and issuance of corporate bonds.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During the Period, the Group disposed of its subsidiary, Helen Insurance Brokers Limited, on 15 January 2024. The Company considered that the insurance broking business engaged by Helen Insurance Brokers Limited was classified as discontinued operation as a separate operating business. The profit from discontinued operation attributable to the owners of the parent company amounted to RMB213,660,000.

SUBSEQUENT EVENTS

On 28 March 2025, the Board proposed the payment of a final dividend of RMB0.019 per share (inclusive of applicable tax) for the year ended 31 December 2024. The total share capital of the Company is 13,575,938,612 shares and 240,044,992 shares have been repurchased. Based on 13,335,893,620 shares (being total share capital of the Company less the number of shares repurchased by the Company), the aggregate dividend would amount to RMB253,382,000 (inclusive of applicable tax), which is subject to the approval of shareholders of the Company at the forthcoming annual general meeting of the Company.

CONTINGENT LIABILITIES

As at 31 December 2024, there were no significant contingent liabilities for the Group.

EMPLOYEES, TRAINING AND BENEFITS

As at 31 December 2024, the Group had 15,669 employees, and the total staff costs for the Period (including staff remuneration, welfare cost and social insurance fees etc.) amounted to approximately RMB3,420,049,000 (including outsourced labor costs).

Remuneration management, as one of the most effective incentives and a form of enterprise value distribution, is carried out on the basis of total budget control, value creation, internal fairness, market competition and sustainable development. Based on the principle of “contractualised management, differential compensation”, the senior management of the Company has introduced and implemented the professional manager system and strengthened the incentive and restraint mechanism based on performance management. The Company’s comprehensive remuneration system applicable to the employees mainly consists of two aspects: (1) salaries, including position/title salary, performance salary, special incentives and allowances; and (2) benefits, including mandatory social insurance, provident housing fund as stipulated by the state and its own corporate welfares.

To support the Company’s human resources management reform, talent development and cultivation, the Company has re-constructed its employee training system to make it based on identification of demand, with the support of clearly defined responsibilities and list-based management. We have enhanced the training content and implementation system, and improved the effectiveness of training resource allocation, staff training participation and satisfaction. Based on the training system, various training programs were designed and implemented to address different types of business and positions, covering topics such as transformation and innovation, industry development, management capability, industrial and financial business, risk management, safety and individual caliber.

In addition, through the implementation of the stock option incentive scheme, the Company will further establish and improve the long-term incentive mechanism of the Company to attract and retain outstanding talents, fully mobilize the enthusiasm of the senior management and core staff of the Company, promote business innovation and expansion, and facilitate the achievement of the Company's long-term strategic objectives, thereby maximizing shareholder value and preserving the value of state-owned assets.

DIVIDEND

The Company had paid an interim dividend of RMB0.019 per share for 2024 (inclusive of applicable taxes). The Board proposed to distribute a final dividend of RMB0.019 per share (inclusive of applicable taxes) for the year ended 31 December 2024 (2023: RMB0.032 per share), subject to the approval of shareholders of the Company at the forthcoming annual general meeting. The final dividend will be denominated and declared in RMB, payable to the holders of A shares and H shares of the Company in RMB and Hong Kong dollars, respectively within two months after the approval at the annual general meeting (other than those who are holders of H shares of the Company through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the final dividend will be paid to them in RMB).

The Company will make further announcements as and when necessary to disclose further details including, among other things, the expected timetable and arrangements of closure of register of members of H shares by the Company, and the proposal to distribute final dividend.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

On 28 June 2024, the 2023 annual general meeting, the 2024 first A Share class meeting and the 2024 first H Share class meeting of the Company considered and approved the grant of a general mandate to the Board to repurchase A Shares and H Shares, so as to repurchase A Shares and H Shares not exceeding 10% of the number of A Shares (“**General Mandate to Repurchase A Shares**”) and H Shares (“**General Mandate to Repurchase H Shares**”) in issue as at the date of the 2023 annual general meeting, the 2024 first A Share class meeting and the 2024 first H Share class meeting of the Company, respectively. On 18 October 2024, the Board considered and approved the “Resolution on the Shares Repurchase Plan of COSCO SHIPPING Development with Special Bank Loan and Own Funds (《關於中遠海運發展以銀行專項貸款及自有資金回購股份方案的議案》)”, pursuant to which it is proposed to repurchase A Shares through centralized price bidding pursuant to the General Mandate to Repurchase A Shares (“**A Shares Repurchase Plan**”) and to repurchase H Shares pursuant to the General Mandate to Repurchase H Shares. On 13 November 2024, the extraordinary general meeting of the Company considered and approved the implementation of the A Shares Repurchase Plan. All purchased Shares shall be cancelled and the registered share capital shall be reduced accordingly.

Monthly reports on the repurchase of A Shares and H Shares for the Year are as follows:

Repurchase of A Shares

Month of Repurchase	Repurchased Shares	Purchase price per share		Total price (excluding transaction costs) (RMB)
		Average (RMB/Share)	Lowest (RMB/Share)	
November	16,164,700	2.6333	2.51	42,566,313
December	24,335,300	2.6878	2.59	65,408,734
Total	40,500,000			107,975,047

Repurchase of H Shares

Month of Repurchase	Repurchased Shares	Purchase price per share		Total price (excluding transaction costs) (HK\$)
		Average (HK\$/Share)	Lowest (HK\$/Share)	
November	53,287,000	1.06	0.99	56,423,750
December	54,962,000	1.0241	0.99	56,285,900
Total	108,249,000			112,709,650

As at the date of this announcement, the 40,500,000 A shares repurchased and the 108,249,000 H shares repurchased by the Company during the Year have not been cancelled. As at the date of this announcement, the 28,724,292 A shares previously repurchased by the Company before the Year were held by it as treasury shares for the purpose of A share option incentive scheme.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares).

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) consists of two independent non-executive directors, namely Mr. Shao Ruiqing and Mr. Chan Kwok Leung, and one non-executive director, namely Ms. Zhang Xueyan. The Audit Committee has discussed with the independent auditor of the Company, SHINEWING (HK) CPA Limited, and reviewed the annual results of the Group for the year ended 31 December 2024. This annual results announcement is based on the Company’s consolidated financial statements for the year ended 31 December 2024 which have been agreed with the auditor of the Company.

CORPORATE GOVERNANCE CODE

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Period, Mr. Zhang Mingwen, an executive director, held the positions of both chairman and chief executive officer (i.e. the general manager of the Company). All major decisions of the Company are made in consultation with members of the Board (including the independent non-executive directors) as well as senior management. There are adequate balances of power and safeguards in place for the Board to ensure the appropriate balance of power in the Company. In addition, having regard to Mr. Zhang Mingwen's extensive industry experience and his track record with the Group, the Board considers that it is in the interest of the Company for him to act as both the chairman and the general manager of the Company during the Period.

Save as disclosed above, the Board has confirmed that the Company was in full compliance with all the applicable code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules during the year ended 31 December 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors, supervisors and relevant employees on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiry to all directors and supervisors of the Company, each of the directors and supervisors confirmed he/she had complied with the required standard set out in the Model Code regarding securities transactions by directors and supervisors during the Period. The Company is not aware of any non-compliance with these guidelines by the relevant employees.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on this preliminary announcement.

DISCLOSURE OF INFORMATION

This announcement is published on the website of Hong Kong Stock Exchange at <http://www.hkexnews.hk> and the Company's website at <http://development.coscoshipping.com>. The annual report of the Company for the year ended 31 December 2024 will be despatched by the Company to its shareholders in the manner as they elect to receive corporate communication and published on the aforesaid websites of Hong Kong Stock Exchange and the Company in due course.

By order of the Board
COSCO SHIPPING Development Co., Ltd.
Cai Lei
Company Secretary

Shanghai, the PRC
28 March 2025

As at the date of this announcement, the Board comprises Mr. Zhang Mingwen (Chairman), being an executive director, Mr. Liang Yanfeng, Mr. Ip Sing Chi and Ms. Zhang Xueyan, being non-executive directors, and Mr. Shao Ruiqing, Mr. Chan Kwok Leung and Mr. Wu Daqi, being independent non-executive directors.

* *The Company is a registered non-Hong Kong company as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and it is registered under its Chinese name and under the English name "COSCO SHIPPING Development Co., Ltd."*