

PRESS RELEASE  
(For Immediate Release)



## **China COSCO Strives to Return to Profitability with Proposed Sale of COSCO Logistics to Controlling Shareholder**

(11 March 2013, Beijing) China COSCO Holdings Company Limited (“China COSCO” or the “Group”) (HKEx:1919, SSE:601919) put forth a preliminary proposal in an announcement to sell a 100% interest in its directly-owned subsidiary COSCO Logistics Co., Ltd. (“COSCO Logistics”) to its controlling shareholder China Ocean Shipping (Group) Company (“COSCO Group”). The board of directors has approved commencing with related processes. Details of the proposed transaction are still in negotiation. Given the uncertainties surrounding it, all investors are advised to pay attention to the investment risks involved. The Group will make public announcement on the progress of the proposed transaction in due course.

In order to protect the fundamental interest of shareholders, China COSCO has prudently come up with this proposal after a comprehensive consideration on its sustainable growth capability and profitability. The Group expects that if the transaction is approved and carried out on a timely basis, it will generate reasonable capital gain which can help boost the Group’s operating results in 2013 and reduce the risk of its stock being suspended from trading on the A-share market.

China COSCO is upbeat about China’s and the global macro-economic environment and international trade in the long run. It firmly believes that the shipping industry will stage a rebound from the trough and move in an uptrend. Moreover, COSCO Group reiterates that it will continue to use China COSCO as a platform to tap into capital markets. Meanwhile, China COSCO will have a priority to acquire COSCO Logistics back from COSCO Group when overall conditions are favourable.

All in all, the Group will push ahead with the operating principles of “boosting sales, adjusting business structure, reinforcing management and exercising stringent cost controls”. Any measures that can help improve the Group’s overall profitability, drive sustainable growth and protect the long-term interests of shareholders will be given careful consideration and implemented at full strength after thorough discussion, review and approval according to the established procedures.

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