

Press Release
(for immediate release)



China COSCO Announces FY2015 Interim Results
Maintains profitable on effective structure adjustment

(28 August 2015, Beijing) - China COSCO Holdings Company Limited (“China COSCO” or the “Company”) (SSE:601919; HKEx:1919) announced the interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months (the “Period”) ended 30 June 2015. The net profit attributable to the equity holders of the Company was RMB1,897 million as compared to the net loss recorded in the same period last year.

During the Period, the world economic growth slowed down and the overall demand in the shipping market was weak. The overcapacity continued and there was no substantial improvement in the imbalance between supply and demand in shipping industry. The freight rate in the shipping market showed a downward trend. In the first half of 2015, China Containerized Freight Index (CCFI) was at an average of 970 points, down 12% year-on-year as compared with 1,102 points in the same period of last year. The Baltic Dry Index (BDI) averaged at 623 points, down 47% year-on-year, the lowest level since the financial crises. Although the decreasing international fuel oil price helped to improve business conditions, shipping companies were operating under great pressure as the shipping freight rate remained at a very low level.

To properly address the challenging market environment, China COSCO adopted proactive measures to stabilize the market from the risk of substantial fluctuation, optimize the structure of market, customers and cargo sources, so as to strengthen the capability of risk resistance, and meanwhile, increase revenue and save cost. COSCO Container Lines Co., Ltd (COSCON) responded quickly to market changes by adjusting its allocation of global shipping capacity and improving its regional shipping route network, constantly optimizing its routes and supplier structure and taking actions to promote a rebound of freight rates. During the Period, COSCON realized year-on-year growth in both cargo volume and revenue from shipping business. China COSCO Bulk Co., Ltd (COSCO Bulk) actively promoted its marketing system reforms, implemented the operating principle of “being customer-centric and market-oriented”, and strived to gradually realize the strategic business transformation by optimizing its customer structure, obtaining more basic cargo sources and expanding spot cargo sources. COSCO Bulk also made efforts on lean operation, generating revenue and cutting cost to improve the operation efficiency. On 19 May 2015, China Ore Shipping, a joint venture of COSCO Bulk and China Shipping Development, entered into a long-term shipping agreement with Vale of Brazil, bringing steady returns for the Company. COSCO Pacific fully implemented its principle of “Four Areas of Strategic Focus”, strived to propel a global hub port network and addressed market needs in a prudent manner, in order to maintain steady growth in its terminal and container leasing businesses.

Looking ahead to the second half, the International Monetary Fund (IMF), through its World Economic Outlook released in July, lowered the estimate of the world economic growth in 2015 to 3.3%, down from the previous

estimate of 3.5% and lower than 3.4% in 2014, indicating that the situation of global economy entering a “new normal state” remain unchanged. It is expected that the world shipping demand growth will continue to be moderate for a period of time, while the shipping capacity will remain high, and therefore the international shipping market will continue to face tremendous pressure.

Under the severe market situation, China COSCO will continue to focus on the four strategic aspects of profitability, anti-cyclical effect, globalization and increase in scale, promote comprehensively the execution of the strategy, deepen reforms, and make continuous exploration and innovation.

In the container shipping business, based on cooperation with alliance partners, COSCON will continually optimize route layout and fleet structure, enhance alliance cooperation and efficiency, globally expand the alliance route network and comprehensively improve the competitiveness of product. By further leveraging the economies of scale, COSCON will provide customers better quality service, and present COSCO’s customized brand and service. Through matching with “One Belt One Road” and the Yangtze River Economic Zone, widening the routes pipelines calling in Piraeus Port in Greece, building up hub node of water transportation along the Yangtze river, construction of infrastructures such as onshore terminals and warehouses, COSCON will be able to strengthen the ability of resources control and management, continually increase the competitiveness of full trip transportation and improve the quality of differentiated service, strive to develop into a full trip container transportation chain solutions provider. By placing emphasis on “internet + container shipping”, COSCON will continue to enhance the development of new business model, to improve customer experience and

provide convenient and efficient solutions for customers.

In the dry bulk shipping market, COSCO Bulk will adhere to system thinking, system innovation, and system implementation. Mainly by innovative marketing concepts and approaches, and implementation of “value-based marketing”, COSCO Bulk will realize the transformation of marketing approaches from “shipping capacity marketing” to “market promotion”, the transformation of overseas freight solicitation network from “single point distribution” to “network distribution”. And by customer and market demand differentiation, COSCO Bulk will also realize the transformation from “professional service” to “accurate service”. Therefore, COSCO Bulk can thus capture the opportunities arising out of or in connection with national strategies, maintain healthy operation and stable growth, and build up a first class group for dry bulk shipping service.

In the terminal business, COSCO Pacific will adhere to the principle of “Four Areas of Strategic Focus”, focus on seizing development opportunities in hub ports in line with the trend towards mega-vessels, focus on enhancing COSCO Pacific’s brand value by optimizing the operational model of the terminal subsidiaries, and align the direction and strategy for its terminals business with global development strategies for COSCO’s fleet and its shipping route network, with a view to propel a global hub network. In the container leasing business, COSCO Pacific will continue to address market needs in a prudent manner, further enhance its managerial effectiveness and strictly control operational risk so as to ensure the stable and healthy development.

In the background of China's economic reform and innovation, China COSCO is going to seize the strategic opportunities of the national strategies including “One belt,

One road”, Collaborative Development of Beijing-Tianjin-Hebei program, and Yangtze River Economic Zone, deepen reforms comprehensively, devote every effort to continually improve performance, achieve sustainable development of the Company, and provide better services to customers and ongoing returns to shareholders.

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About China COSCO

China COSCO Holdings Company Limited (“China COSCO”, together with its subsidiaries collectively known as the “Group”), is a leading global integrated shipping services provider. The Group provides comprehensive shipping services including container shipping, dry bulk shipping, terminal operations and container leasing. It maintains leadership in each of business sector. The Company was listed on the Hong Kong Stock Exchange in June 2005 and the Shanghai Stock Exchange in June 2007 respectively.

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Investor and Media Enquiries:

Henry Chik / Peggy Yuan

PRChina Limited

Tel : [\(852\) 2522-1838](tel:(852)2522-1838) / [\(852\) 2522-1368](tel:(852)2522-1368)

Email: hchik@prchina.com.hk / jyuan@prchina.com.hk