

Press Release
(for immediate release)



China COSCO Announces FY2014 Annual Results
Maintains profitable on effective structural adjustment

(27 March 2015, Beijing) – China COSCO Holdings Company Limited (“China COSCO” or the “Company”) (SSE:601919; HKEx:1919) announced today the annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2014. The net profit attributable to the equity holders of the company is RMB363 million, rising 54% year-on-year.

During the period, the international shipping market did not see substantial improvement amidst the imbalance of supply and demand, with the overall freight rates still fluctuate at low levels. To address the challenges currently facing the industry, the Group adopted proactive measures of increasing revenue and cutting cost and made a notable progress in the reduction of losses incurred by its major shipping business with the cash flow from operating activities improved significantly.

During the period, China COSCO’s subsidiaries each took effective measures to enhance budget management and ensure stringent cost control. COSCO Container Lines Co., Ltd (“COSCON”) returned to profit, partly because fuel consumption volume was cut by 8.3% and fuel expenditure dropped by 15% as a result of slow steaming, centralized procurement of fuel and other cost-cutting measures under the circumstance of increased operating shipping capacity and shipping volume. China COSCO Bulk Shipping (Group) Co.,

Ltd (“China COSCO Bulk”) adopted a dynamic system to closely monitor vessel chartering costs, which dropped by 30.6% from last year.

In the period, China COSCO accelerated the adjustment of its fleet structure and client portfolio. In its fleet restructuring , China COSCO accelerated the replacement of old vessels and ordered energy-efficient new ones to improve the overall energy efficiency and competitiveness of the fleet. To optimize the client portfolio, the Company further promoted its key customer strategy to increase the proportion of strategic clients, direct clients and other high- value customers. Additionally, the Company adheres to the principle of cargo-based vessel operation, focusing on basic cargo sources with an objective to steadily increase the proportion and the number of direct clients. To adjust sales structure, the Company is proactively seeking business in third countries and emerging markets and developing opportunities brought by China’s initiatives of “One Belt, One Road” and Yangtze River Economic Belt.

During the period, China COSCO promoted innovative service models for the long-term sustainable growth of the business. COSCON has been committed to driving the cross-industry integration of e-commerce solutions with traditional business methods. China COSCO Bulk adopted a client-based strategy to develop a progressive marketing philosophy and optimize internal synergies across its marketing teams. The bulk segment also reformed its sales mechanism by setting up a responsibility system of customer account managers. In 2014, the cooperation between China COSCO Bulk and Vale and other key clients made significant progress, establishing a business model for long-term and stable partnerships.

In 2014, China COSCO remained highly committed to the principles initiated by the United Nations Global Compact to protect the environment, marine resources and to build an eco-friendly enterprise. The Company saved 521,900 tons of

bunker fuel by adopting fuel-saving technologies, slow steaming and optimizing the network of shipping routes. Additionally, China COSCO respects international humanitarian principles and provided rescue aid on many occasions.

Looking ahead in 2015, in face of the “new normal” presented by the global economy and the shipping market, China COSCO will deepen its efforts to enhance synergies among its subsidiaries within various business clusters and to improve its capabilities in such four strategic areas as profitability, the counter-cyclical capability, globalized operations and the ability to manage growth in business scale.

In container shipping, the Group will continue to optimize its fleet structure, strengthen alliance cooperation and develop growth potentials in emerging markets as well as regional markets. Additionally, China Cosco intends to adopt innovative transportation models and marketing solutions, stabilize cargo sources and increase the proportion of high value cargo. At the same time, new business models of “shipping plus internet and plus other services” will be explored to improve the capability of online to offline resource integration, to build an ecosystem for e-shipping and enhance the capability of providing all around customer solutions.

In the segment of dry bulk shipping, the Company will adhere to its client-centric strategy to further deepen its strategic cooperation with key clients and strengthen its resilience to cyclical downturns. This objective will be achieved through various approaches, including the signing of long-term contracts, the tailor-made ship booking services, the joint development of commodity resources, and cross-shareholding or establishing joint ventures with major clients. Meanwhile, the Company will continue to optimize fleet structure and enhance professional management to accommodate market changes and satisfy demand from clients.

In the segment of terminal business, strategically, the Group will adhere to the four areas of focus listed below to enhance the strategic value of its terminals: focus on seizing development opportunities in hub ports in alignment with the trend towards mega-vessels; focus on enhancing COSCO Pacific's brand value by optimizing the operational model of the terminal subsidiaries; focus on strengthening the profitability of the terminals business through innovative approaches to investment in non-subsidiary terminals; focus on driving the development of a global terminal portfolio by riding on the opportunities from the initiatives of "One Belt, One Road" and the Yangtze River Economic Belt.

With the rise of new technologies, new economic modes and new business trends, China COSCO is well positioned to leverage the new opportunities arising from the economic reform and innovation in China, including the "One Belt, One Road" initiative, the "Collaborative Development of Beijing-Tianjin-Hebei" program and the national strategy of developing the Yangtze River Economic Belt. China COSCO will be dedicated to its integrated reform, proactive and innovations, and its continued efforts of improving the business performance in order to achieve sustainable growth, better serve clients and yield sustainable returns for shareholders.