

Press Release

(For immediate release)



**中遠海運控股股份有限公司
COSCO SHIPPING Holdings Co., Ltd.**

COSCO SHIPPING Holdings Announces 2020 Interim Results

**Profit attributable to equity holders arising from
continuing operations realized a year-on-year
increase of 8.18%**

28 August, COSCO SHIPPING Holdings Co., Ltd. (“COSCO SHIPPING Holdings” or “the Company”) (SSE: 601919; HKEx: 1919), the world's leading provider of integrated container shipping services, today announced its interim results for the six months ended 30 June 2020 (the “Period”).

In the first half of 2020, the sudden outbreak of COVID-19 caused extensive negative effects on the global economy and trade, and also had a great impact on the container shipping market. The International Monetary Fund (IMF) predicted that the growth of the global economy in 2020 would be -4.9%. China’s economic growth in 2020 is projected at 1.0%, while

other major economies in the world are expected to experience negative growth. According to the estimate of Drewry, a third-party shipping consultancy, the world loaded container traffic in the first half of 2020 dropped by 10.2% as compared to the same period of last year.

With the challenges brought by the spread of the COVID-19 pandemic and the global economy recession, COSCO SHIPPING Holdings had actively overcome external adverse factors while striving to secure the lives and health of all its staff in onshore and offshore. Adopting “focus on high-quality development, innovative development and integrated development” as a guidance, and with the aim to create the new strategic pattern of “Three Networks as an Integration”, namely, shipping routes network, end-to-end logistics network and information system network, the Company proactively prevented and mitigated the risk of the pandemic, promoted the resumption of its business operations and achieved hard-won results.

From January to June 2020, COSCO SHIPPING Holdings generated revenue of RMB74.05 billion, representing an increase of 3.19% as compared to the same period of last year, and recorded a net profit attributable to the equity holders of RMB1.14 billion as well as a net operating cash inflow of RMB11.44 billion. In the first half of 2020, the profit attributable to equity holders arising from continuing operations realized a year-on-year increase of 8.18%.

Leverage leading advantage in scale and further enhance the globalized service capability as a global carrier

In the first half of the year, COSCO SHIPPING Holdings fully leveraged its leading advantage of scale as the third largest liner in the world. It continued to optimize the layout of the global route network and focused on building a more stable supply chain system, striving to convert the leading advantage in fleet size into advantage in customer service.

During the Reporting Period, the dual-brand fleet of the Company handled a shipping volume of 11.85 million TEUs, representing a decrease of 4.93% as compared to the same period of last year. Among which, COSCO SHIPPING Lines handled a shipping volume of 8.56 million TEUs, representing a decrease of 5.79% as compared to the same period of last year, and OOCL handled a shipping volume of 3.29 million TEUs, representing a decrease of 2.61% as compared to the same period of last year. COSCO SHIPPING Ports contributed a total throughput of 57.63 million TEUs, representing a decrease of 3.56% as compared to the same period of last year.

During the Reporting Period, the Company conformed with the changes in the global trade landscape and strengthened resource allocation and

marketing deployment of emerging markets such as Southeast Asia, South Asia, Latin America and Africa. Despite the fierce challenge of the pandemic, the cargo volume of the Company's dual-brand fleet in non-China markets maintained its stability. The ratio of the Company's non-China cargo volume versus the total foreign trade volume further increased from 37.0% at the end of 2019 to 38.6%. The Company further consolidated its foundation for global development and continuously enhanced its ability to resist non-systematic risks.

Insist on being customer-oriented and secure the stable and smooth operation of the global container logistics supply chain

In the first half of the year, the Company paid close attention to the impact of the pandemic on the global container supply chain and enhanced the effort on study of each customer's demand on solving the logistics turbulence. Meanwhile, the Company fully leveraged its edge in end-to-end transportation network over the world and utilized the online platform to mobilize offline resources, in order to provide quality and efficient container integrated logistics solutions to customers.

During those most difficult times, the Company has responsively launched “water-water transshipment, water-railway transportation” and

“customized logistics trains” to consolidate different types of logistics resources and actively empowered the global trade. The Company strived to fully protect transportation needs of customers during the special time. In order to tackle the problem of parcels not being sent as usual during the pandemic, the Company cooperated with China Post to create the brand-new shipping model by sea rather than by air for international postage. It effectively broke through the transportation bottleneck during the special time and was well-received by the customer with a more flexible and reliable logistics service.

In the first half of the year, the Company focused on developing end-to-end projects such as the China-Europe Sea-Rail Express, the China-Europe railway services and the new China western intermodal corridor. As they were organically integrated into the “Belt and Road” logistics corridor, the customers enjoyed a more diversified end-to-end product offering. During the Reporting Period, the total cargo volume accounted by the China-Europe Sea-rail Express increased by 43% as compared to the same period for last year.

In respect of the terminal business, as the world’s leading ports operator, COSCO SHIPPING Ports, a subsidiary of the Company, thoroughly implemented the concept of “lean operation” since the beginning of the year and constantly improved the operation quality and service standard of

terminals. In the first half of the year, PCT terminal, Abu Dhabi Terminal and Nantong Terminal all made positive progress in terms of new routes calling. Trade connectivity was further enhanced.

Conform to the trend of informatization development and promote digitalized construction

In the first half of the year, the Company proactively conformed to the industry development trend with digitalization as the pillar to strive for enhancing the compatibility, analytical ability, high efficiency, and coordination capacity of supply chain service.

The Company extended the “no touch and visualized service” with the use of e-commerce platform to effectively secure normal business operation when the epidemic was not fully contained. The Company continuously promoted the application of blockchain technology in the industry, together with Shanghai International Port Group and Tesla, Inc., the Company completed the first batch of pilot application projects for real-time exchange of shipping information through blockchain technology in the shipping industry, which achieved favorable social and economic impact. Since the commencement of the blockchain project in November 2019, the Company has completed the handling of over 10,000 containers leveraged

by blockchain, providing more convenient and efficient services for customers.

The Company innovatively launched the new model of livestreaming selling to promote shipping e-commerce. The foreign trade e-commerce platform contributed transaction of 20,000 TEUs within 2 days and the transaction volume exceeded RMB100 million, which became a beneficial attempt of the Company's development into creating demands from finding demands.

In May 2020, Xiamen Ocean Gate Terminal of COSCO SHIPPING Ports began operation as the first 5G-covered port, with technologies such as edge computing, high precision location, artificial intelligence and computed visualization to achieve autonomous driving, smart cargo tally, AGV management, smart security protection and other 5G deployments.

Leverage the synergies of the dual-brand strategy and strengthen cost control

In the first half of the year, the Company continuously strengthened the synergies of dual-brand business sector, namely, COSCO SHIPPING Lines and OOCL. Through the optimization of synergies in various sectors, including fleet network, container management, procurement of supply

chain and vessel operation, the Company consolidated the competition base and promoted risk-resistance capacity.

The Company took advantage of relatively low bunker prices in the first half of the year, practically establishing the procurement of bunkers and fixing partial bunker cost. Meanwhile, the Company strengthened its daily consumption management and implemented measures regarding deceleration and fuel-saving, which achieved a positive impact to the control on bunker cost.

During the Reporting Period, the Company continued to optimize the asset-liability structure and relied on the lower interest rate market environment, strengthened the balancing management of cash and debt, and further reduced its capital costs. As a result, the Company's financial expenses decreased significantly, and the asset-liability ratio at the end of the Reporting Period decreased by 1.5 percentage points, as compared to that at the beginning of the Reporting Period.

Proactively contribute to pandemic control and resumption of work and production, secure the stable and smooth operation of the global container logistics supply chain and fulfill corporate social responsibilities

Since the beginning of the year, the Company has made every effort to protect the lives and health of all staff onshore and offshore, actively coordinate all stakeholders to arrange crew change and dedicate to open up the "green channel" especially for the export of pandemic prevention materials to improve the efficiency of cargo transportation in all aspects from cargo loading and unloading, ships calling and departing ports, and document handling, etc., ensuring that the pandemic prevention materials and emergency supplies were shipped to relevant areas as soon as possible.

The Company actively leveraged the advantages of the integrated service supply chain, made every effort to improve the efficiency of ships calling and departing, the warehousing and distribution of materials, as well as developing the "Land to Water" and "Land to Rail" businesses to strengthen the non-stop and high-efficiency door-to-door services. The Company spared no effort to ensure the smooth operation of the global container supply chain and support the business resumption of global customers.

The Company has actively implemented the green shipping philosophy with mainly using low-sulfur oil and installation of scrubbers for supplement, to be strictly abided by the new low-sulfur oil regulations implemented by the International Maritime Organization (IMO) globally in 2020.

The Company attached great emphasis to the protection of investors' rights

and interests. In this August, the Company actively publicized and participated in the “Here Comes the Shareholders 2020” investor rights and interests knowledge competition organized by China Securities Investor Services Center. Through the competition, the Company guided investors to master investment knowledge and enhanced risk awareness.

Looking forward into the second half of the year, the COVID-19 pandemic prevention and control process will gradually become normalization. Some third-party consultant institutions predicted that global commodity trade will shrink this year. However, with the business resumption in various countries and the emerging effect of economic stimulus policies, the global economy is expected to recover slowly from bottom line in the second half of the year. In addition, the fundamentals of China's long-term economic growth will remain stable. As the China’s domestic economy gradually picks up, it will bring both confidence and impetus for the health of the world economy, continue to play its role as an economic “engine”, and bring new opportunities to the healthy development of the global shipping market.

In the future, COSCO SHIPPING Holdings will continue to adopt the

"Three Focuses" as the lead and set the new strategic pattern "Three Networks as an Integration" as a goal and customer-oriented as a core to continuously enhance its international competitiveness and make every effort to promote the Company's higher quality and more sustainable development while maintain regular anti-pandemic measures, striving to build the Company into a world-class integrated container shipping service provider to bring customers with better services and create greater value for the Shareholders.

About COSCO SHIPPING Holdings Co., Ltd.

COSCO SHIPPING Holdings Co., Ltd. ("COSCO SHIPPING Holdings", Stock Code: 1919.HK; 601919.SS) is the listed company controlled by China COSCO SHIPPING Corporation Limited. The Company was listed on the Hong Kong Stock Exchange in June 2005 and the Shanghai Stock Exchange in June 2007.

The Company focuses on container shipping and terminal operations. Through its wholly-owned subsidiary, COSCO SHIPPING Lines and its holding subsidiary Oriental Overseas International, the Company operates a total fleet capacity of 508 ships and 2.92 million TEUs, ranking as the world's third largest container shipping company. COSCO SHIPPING Ports, another controlled subsidiary of the Company, operates a total of 206 container berths in 36 ports around the world, with an annual design processing capacity of 133 million TEU. COSCO SHIPPING Holdings is committed to become a top-tier integrated container shipping service provider with its continuing efforts to build up a global network, provide customers with comprehensive solutions and create greater returns for shareholders.

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