

Press Release

(For Immediate Release)



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

COSCO SHIPPING Development Achieved Quality Improvement in 1H2022, Integrated Core Advantages and Promoted Digital Empowerment

(30 August 2022, Hong Kong) - COSCO SHIPPING Development Co., Ltd. (“COSCO SHIPPING Development” or the “Company”) (SSE: 601866, HKEX: 2866) is pleased to announce the results for the six months ended 30 June 2022 (the “Reporting Period”) today. In the first half of 2022, the Company recorded revenue of RMB13.11 billion, and net profit attributable to owners of the parent company recorded RMB2.69 billion, representing an increase of around 11% as compared to the 2021 interim report. The basic earnings per share amounted to RMB0.1994.

In the first half of 2022, the continuous spread of the COVID-19 pandemic and geopolitical conflicts had a sustained impact on the global economy, thus the shipping market fluctuated. Facing the complex environmental situation, the Company developed and evaluated the market, further deepened industry-finance integration and adhered to the principal business of shipping logistics. It integrated the core competitive advantages and actively responded to the market, so as to continuously promote the high-quality development of the Company.

The shipping leasing sector strengthened internal coordination to improve asset efficiency

The Company recorded shipping leasing revenue of RMB3.98 billion for the first half of 2022. Revenue from the vessel leasing business amounted to RMB1.17 billion. The Company strengthened the synergy between “leasing and manufacturing, leasing and trading, and leasing and shipping”, and constantly optimized the business model of industry-finance integration for the fleet, so as to achieve a steady increase in revenue. At the same time, the Company closely followed market demand, actively expanded vessel leasing business segments, and promoted projects such as LNG ships, RO-RO ships, electric ships, built industrial chain synergy and steadily expanded business in external markets.

Container leasing business revenue was RMB2.81 billion, representing an increase of 56.9% year-on-year. In the first half of 2022, the Company deeply explored the value creation capability of the complete container industry chain, and further strengthened the trade of second-hand containers to comprehensively improve the asset efficiency. Meanwhile, through digital empowerment of business and efficient aggregation of logistics information, the Company optimized customer experience, promoted the promotion of trading platform and further achieved improvement in quality and efficiency.

Container manufacturing sector cultivated brand value and technological innovation empowered intelligent development

The Company's container manufacturing business realized operating revenue of RMB12.80 billion. In the first half of 2022, affected by factors such as intensified global inflation and the return of containers, the overall market demand has slowed down. The Company was based on cultivating brand value, deeply cultivated industrial chain advantages, and extended the terminal market. At the same time, it accelerated the integration of scientific and technological resources, and made multiple efforts to develop green intelligence to constantly improve market competitiveness. In the first half of 2022, the Company actively researched and developed a variety of new special containers such as epidemic prevention containers, marine energy storage containers and new energy reefer containers, which effectively improved the low-carbon intelligent level and led the healthy and sustainable development of the industry.

The investment management sector was deeply cultivating the integration of industry and finance,so as to boost the upgrading of the shipping logistics industry

In terms of investment management business, the Company gave equal weight to strategic value and financial returns, adhered to the principal business of shipping logistics, aimed at integration of industry and finance and made full use of capital, so as to provided capital injection services for the “digitization, intelligent and carbon neutral” development of the shipping logistics industry, in an effort to boost industry upgrading.

Actively implemented the dual-carbon strategy and advanced digital transformation

The Company actively implemented the dual-carbon strategy, fully promoted the electric ship project, and created a green and intelligent shipping demonstration. On 18 March 18 2022, the Company signed the construction agreement and the ship leasing agreement for two 700TEU-class electric container ships to jointly promote the green and zero-carbon transformation of Yangtze River Shipping. At the same time, focusing on the electric ship industry chain, the Company was committed to improving the ability of research, development and manufacturing of Marine box-type power battery units, and building a ship charging and changing network in key domestic waters, aiming to realize the coordinated development of the electric ship industry chain.

The Company focused on promoting technological innovation and digital transformation,

deeply integrated digital technologies such as cloud computing, big data, and artificial intelligence with business. In the first half of 2022, the container trade platform and iFlorens digital operation platform were successfully launched, which effectively improved the operational efficiency and customer experience of the container leasing business. As for the container manufacturing business, Shanghai Huanyu achieved new breakthroughs in patent scientific research results, and the number of patent applications in the first half of 2022 increased by more than 100% year-on-year, the number of patent authorizations has increased by more than 50% year-on-year, and up to now, it has nearly 400 valid intellectual property rights.

Implemented positive and stable dividend distribution plan to share the Company's development achievements

The Company was committed to safeguarding the interests of the investors and promoted the long-term and sustainable development of the Company. The Company has carried out cash dividends for four consecutive years and the proportion of dividends has increased year by year. In August 2022, the Company successfully paid the dividend of 2021 to A share and H share investors, and distributed a total cash dividend of approximately RMB3.057 billion to all shareholders, which was highly recognized by the capital market.

Combining industry and finance, planning layout, and taking the road of high-quality development

In the second half of 2022, the international economic and political environment will become more complex and severe, and the global economy will still face many challenges, which will affect the shipping market. As the demand for digitalization, low-carbon greening and intelligentization of the shipping logistics industry continues to increase, the Company faces both challenges and opportunities.

In the development process of new balance of supply chain, the Company will continue to focus on the main business of shipping and logistics to stabilize operations, tap potential and increase efficiency. The vessel leasing business will further optimize the business model of integrating industry and finance, deepen market segmentation, innovate service products, and further promote the green shipping strategy. The container leasing business will further improve the global network layout, strengthen leasing and manufacturing synergy, and form internal synergy with the container building business which continue to enhance the ability to create value. In terms of container manufacturing business, the Company will strengthen the research on industry trends, implement strategic layout, refine the investment categories of intelligent manufacturing, meet diversified market demands, and further explore the application of environmental protection and energy saving technology in the field of container manufacturing. In terms of investment management business, the Company will further link industry and finance to enhance synergy in the industrial chain, boost industrial upgrading, and achieve two-way empowerment.

Looking forward, the Company will continue to forge ahead towards the goal of creating value through development while giving full play to the advantages of integrated development of industry and finance, and earnestly fulfill its responsibilities and missions in stabilizing growth and promoting development. The Company aspires to grow into an excellent world-class financial operator in the shipping industry with COSCO SHIPPING characteristics.

About COSCO SHIPPING Development Co., Ltd.

COSCO SHIPPING Development Company Limited (2866.HK), a company affiliated to China COSCO Shipping Corporation Limited, specializes in the provision of supply chain integrated financial services. Formerly known as China Shipping Container Lines Company Limited, it was established in 1997 with headquarters in Shanghai, the PRC, and is listed both in Hong Kong and Shanghai. With a focus on integrated logistics industry, the Company will develop container manufacturing, container leasing and shipping leasing business as the core business, with a view to pursuing industry-finance integrated development underpinned by investment. With market-oriented approaches, professional strengths and an international vision, the Company aspires to grow into an excellent world-class financial operator in the shipping industry with COSCO SHIPPING characteristics.

Investor and Media Enquiries

Jack Liu / Mei Ning
PRChina Limited
Tel: (852) 2522-1838
Email: zyliu@prchina.com.hk / nmei@prchina.com.hk