



# CSCL

中海集装箱运输股份有限公司  
China Shipping Container Lines Co., Ltd.

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*December 11th, 2015*

*Shanghai, China*

Dear valued customer,

**CSCL and COSCON will restructure and integrate in order to reshape China's shipping industry and become one of the top four container shipping giants in the world. We will combine our quality resources to achieve synergies and provide better customer service.**

On December 11th, China Shipping Container Lines (CSCL), China Shipping Development (CSD), China COSCO, and COSCO Pacific announced plans to restructure key assets, kicking off the SOE reforms in China's shipping industry. The restructuring and consolidation will create one of the world's four largest container lines companies, with a fleet of 288 container ships, including 84 ships with a shipping capacity of more than 8,000 TEUs, and total shipping capacity of approximately 1.6 million TEUs. This integration will help us combine our quality resources to achieve synergies and provide better customer service.

CSCL will achieve business transformation by leasing ships and container boxes; acquiring the leasing business held by COSCO and China Shipping; and injecting other ship financing business and assets. COSCO Container Lines (COSCON), a subsidiary of COSCO, will rent CSCL's assets, including ships and container boxes etc, and divest the bulk shipping business, COSCO Pacific will buy the port assets of China Shipping and CSCL in order to integrate container shipping and port businesses.

As the leading companies in China's shipping industry, CSCL and COSCON have cooperated with each other for years. We will greatly improve the new company's core competence after the restructuring and consolidation. Expanded shipping capacity and widened scope of the business enable us to optimize the route network and improve the fleet structure. The restructuring and consolidation will also enhance our ability to deliver quality services to our customers, create new opportunities to cooperate with our suppliers and alliance partners, and offer our employees a broader development platform.

The goal of this restructuring and consolidation is to strengthen our ability to deliver higher-quality customer services and build core competitiveness. We decide to cooperate with COSCON to further broaden our route coverage and expand product portfolios. The restructuring and consolidation enable us to provide our valued customers with more comprehensive and reliable shipping services.

We are making well-thought plans on business integration, and expect to start the business integration process at the beginning of next year. During the transition period, we will make business continuity our top priority, and ensure our customers receive first-class service as always. Existing contracts will be delivered as usual, and we will maintain maximum stability on business representatives and operation system.

If you have any questions about the restructuring and consolidation of CSCL and COSCON, please email us at [ir@cnshepping.com](mailto:ir@cnshepping.com).

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