For Immediate Release

China COSCO Announces 2005 Annual Results

Highlights:

Revenue increased 21.7% to RMB39.166 billion
Operating profit increased 39.8% to RMB7.055 billion
Profit attributable to equity shareholders increased 31.1% to RMB5.451 billion
Basic earnings per share were RMB1.06171
The Board recommended distribution of a final dividend of RMB0.13 per share (pre-tax) for 2005

Hong Kong, 11 April 2006, China COSCO Holdings Company Limited, ("China COSCO" or "the Group" HKEx:1919) a leading global provider of integrated container shipping services and the largest container shipping company in China, announced its audited results for 2005.

For the period under review, turnover increased 21.7% to RMB39.166 billion from RMB32.189 billion in 2004. Net consolidated profit attributable to shareholders rose to RMB5.451 billion, an increase of 31.1% from RMB4.158 billion in 2004. Earnings per share were RMB1.06171, a 4.7% increase over 2004 EPS of RMB1.01414. The Board recommended a final dividend of RMB0.13 per share. Based on the basic earnings per share of the second half of 2005, the payout ratio is 29.8%.

Chairman Wei Jiafu commented: "During the period under review, the Group's consolidated profit attributable to shareholders increased by 31.1% to RMB5.451 billion. This exceeded our profit forecast at the time of our listing last year. COSCON, the largest container shipping company in China and a wholly-owned subsidiary of the Group, achieved outstanding results in 2005 while the Group's container terminals business continued to grow rapidly."

Robust conditions in international shipping and the global economy made it possible for China COSCO's main businesses to thrive. Growth sectors included container shipping, container terminals, container leasing, freight forwarding services and shipping agency services.

Container Shipping

In 2005, the Group's container shipping volume was 4,534,610 TEUs, an increase of 19.7% on a year-to-year basis. There was growth along all major routes, including Trans-Pacific, Asia-Europe (including the Mediterranean), Intra-Asia and Mainland China. The volume increase in the Asia-Europe route (including the Mediterranean) was particularly great, at 31.7%, followed by Mainland China, reaching 25.1%.

Higher traffic volumes in container shipping translated into higher turnover for the year. Turnover in 2005 was RMB31,959,809,000, an increase of 17% over 2004. There was turnover growth in the Trans-Pacific, Asia-Europe (including the Mediterranean), Intra-Asia (including Australia), other international routes (including the Trans-Atlantic) and China routes. Reflecting increased traffic volume, Asia-Europe and China routes saw increases in turnover of 24.5% and 29.2% respectively.

Shipping volume by markets

	12 months ended 31 Dec 2005 (TEU)	**12 months ended 31 Dec 2004 (TEU)**	**Change %**
Trans-Pacific	1,183,899	1,000,360	18.3
Asia-Europe (including Mediterranean)	1,002,561	761,013	31.7
Intra-Asia (including Australia)	1,392,828	1,214,578	14.7
Other international (including Trans-Atlantic)	240,873	241,369	-0.2
PRC	714,449	571,132	25.1
Total	**4,534,610**	**3,788,452**	19.7

Turnover by markets

	12 months ended 31 Dec 2005 (RMB'000)	**12 months ended 31 Dec 2004 (RMB'000)**	**Change %**
Trans-Pacific	12,527,188	10,680,016	17.3
Asia-Europe (including Mediterranean)	9,154,183	7,354,971	24.5
Intra-Asia (including Australia)	5,935,908	5,352,822	10.9
Other international (including Trans-Atlantic)	2,573,389	2,270,638	13.3
PRC	1,480,948	1,146,609	29.2
Sub-total	**31,671,616**	**26,805,056**	**18.2**
Chartered out	288,193	514,787	-44.0
Total	**31,959,809**	**27,319,843**	**17.0**

Optimisation of shipping trunk routes network

Based on market conditions and customer demand, the Group reorganized its shipping routes. It improved service quality and coverage, as well as reduced costs and risks along its European and US routes. The reorganization was undertaken with COSCON's partner, CKYH Alliance. On Trans-Pacific routes, the Group expanded the service coverage of the Pacific-Northwest route. It restructured shipping lanes in the North American zone to mitigate the risk of transportation chain disruptions caused by port congestion and deficient inland transport infrastructure. In addition, the Group rearranged its European routes and introduced one new route, made the number of weekly routes to six as of the end of 2005.

Development of emerging markets

In co-operation with other shipping companies, COSCON expanded in emerging markets. During the year, the Company focused on development in the South Asian subcontinent market, as well as the Caribbean and Red Sea markets. COSCON introduced routes including the Southeast Asia — Australia, and the Hong Kong — Manila, Naples — Adriatic Sea, India — Pakistan, and Bohai feeder service routes. This enhanced network provides a platform for further development of emerging markets. The new business added 110,000 TEUs and revenue of RMB620 million.

Enhancement of shipping capacity

The fleet is essential to maintaining the Group's competitive edge. To expand its market share and satisfy growing demand, the Group added 9 new vessels with a combined shipping capacity of 39,240 TEUs during the year. As of 31 December 2005, the Group had a total of 124 vessels with an aggregate capacity of 322,414 TEUs, representing an increase of 8% over the previous year. In addition, the Group recalled certain vessels on short-term leases to make available additional resources to cope with the increased demand. As a result, available shipping space increased by 14% over the previous year. As of 31 December 2005, the Group had committed to 23 new vessels with a combined shipping capacity of 180,000 TEUs. In the first half of the year, the Group contracted for the construction of a total of eight 10,000 TEU vessels, making it the first company in the shipping industry to order vessels of such size. The Group's capacity expansion plan is in accord with global demand of container shipping , the Group's global sales network capacity and demand in emerging markets. In addition, with the alliance with CKYH, new shipping capacity can be ulitlised through expanding ports coverage and sailing frequency as well as adding new routes and improving slot utilization rate.

Improvement of information systems and networks

The Group used advanced information technology to improve its customer service system. In 2005, COSCON added interactive service features to its e-service, including online shipping space booking, online order placing and checking, online printing of bills of lading, electronic billing and online advice of arrival. A self-service interactive voice response system was launched in China. Branding and corporate image have been enhanced by introducing such state of the art services for global customers. The information management system was improved in the areas of profit management and cost reduction. The Group reorganized its sales network in the South China region in order to increase service quality and market share.

Stringent cost control

The Group used its alliance relationships to maximize the efficiency of route planning. It was able to increase direct port calls and correspondingly decrease transshipment cost. It repositioned empty containers to maintain a high utilisation rate and improve the control of the flow of orders. The Group also effectively lowered the cost of containers by raising utilization rates, which reduced the turnaround time. The IRIS-2 system was used for cost control in optimizing transport routing leading to substantial cost savings. The Group also restructured shipping routes, schedules and operating speeds in order to minimize operating costs. It improved cost controls for oil procurement. By using centralized procurement and futures trading, the Group was able to reduce its oil costs to below market levels. Business integration through its alliance network made it possible to reduce the rate of increase of port charges. As a result, transportation costs per TEU in 2005 decreased 3.9% compared to 2004.

On November 3, 2005, INFORMA, the publisher of Lloyd's list, gave COSCON the "Shipping Line of the year" Award, reflecting COSCON's achievements and the high regard of the industry.

Container Terminals

The Group's container terminals business, operated through COSCO Pacific, showed impressive growth. Throughput increased by 16.2% for the year, to 26,079,612 TEUs.

Throughput for China-based terminals increased by 16.1% while throughput in the international terminals increased by 19.1%.

In China, specific geographic segments saw increases in throughput well above the norm. Total throughput of container terminals in the Bohai Rim grew by 25.2%, to 9,370,361 TEUs. Throughput increased in terminals in the Pearl River

Delta region by 15.6% to 9,196,652 TEUs. Finally, throughput of container terminals in the Yangtze River Delta rose by 6.1%, to 6,831,502 TEUs. Shanghai Terminals and Shanghai Pudong International Terminals were at full capacity during the year.

A number of domestic container terminals performed well. These included Qingdao Qianwan Terminal and Yingkou Terminals in the Bohai Rim; Yangzhou Yuanyang Terminals and Zhangjiagang Win Hanverky Terminal in the Yangtze River Delta; and COSCO-HIT Terminal and Yantian Terminal Phases I, II & III in the Pearl River Delta.

Throughput in the international container terminals was 681,097 TEUs. Due to improvements in operating efficiency, throughput of the COSCO-PSA Terminals in Singapore increased by 6.8% to 611,013 TEUs. In the European market, the Antwerp Gateway began operation in September 2005. During the year, the Group consolidated its global network by acquiring shares in new terminals and investing in the construction of new berths in its existing terminals. Currently, the Group has a number of projects waiting for government and regulatory approval. During the year, the Group added 30 new berths, increasing the total number of berths to 100.

Container Leasing

In 2005, Florens became the top-ranking global container leasing company, up from number four in 2004. It has a 10.9% global market share in container leasing up from 10.1% in 2004. Florens' customer base grew from 218 in 2004 to 256 in 2005. Its fleet grew by 13.5% to 1,040,000 TEUs.

In 2005, the container leasing business benefited from growth in international trade and the Group's increased market share. The average container leasing rate of Florens was 95.5% in 2005, which was 4.6 percentage points higher than the industry average of 90.9%. In 2006, 1,220,000 TEUs of new shipping spaces will be made available to the container shipping industry. The Company anticipates that demand will increase as well, to the industry's benefit.

Freight Forwarding and Shipping Agency Services and Logistics Services

In 2005, the Group saw 39.1% growth in turnover in its freight forwarding and shipping agency businesses. Turnover was RMB8,202,784,000. Several factors contributed to growth in revenues, including an increase in cargo volumes, the introduction of new value-added services, and revenues of subsidiaries.

COSCO Logistics, in which the Group owns 49% through COSCO Pacific, made substantial improvements in business integration and door-to-door services. Its shipping agency business handled 180,263 vessels in 2005, of which 45,482 vessels were handled through wholly-owned subsidiaries compared to 44,510 vessels in 2004. COSCO Logistics' freight forwarding business handled 100 million tonnes of cargo. Of this, its sea freight-forwarding business accounted for 1,600,000 TEUs.

Other Businesses and Investments: Container Manufacturing

The Group holds shares, through COSCO Pacific, in four container manufacturing enterprises. These are: China International Marine Containers (Group) Co., Ltd. ("CIMC") (approximately 16.23%), Shanghai CIMC Reefer Containers Co., Ltd. (approximately 20.0%), Shanghai CIMC Far East Container Co., Ltd. approximately 20.0%), and Tianjin CIMC North Ocean Container Co., Ltd. (approximately 22.5%).

In 2005, these companies contributed RMB480,886,000 in net profit to COSCO Pacific. In 2005, CIMC was the world's largest container manufacturer. It has a global market share of 54%. COSCO Pacific completed the acquisition of its 16.23% equity interest in CIMC in December 2004. Thus, CIMC contributed to Group profits for the first time in 2005 with RMB455,653,000 contributed in net profits to COSCO Pacific.

Corporate Governance

The Group believes that sound corporate governance is fundamental to growth. The Group retains four independent non-executive directors, which is above the requirement set out by the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). In addition, the Board has set up five Board Committees and an Executive Committee.

The Board Committees evaluate, review and recommend development strategies & risk management measures; monitor and safeguards the independence of external auditors; and determine the appointment of directors and remuneration policies. The Executive Committee approves investment projects of the Group in accordance with the power granted by the Board. China COSCO is also committed to improving its risk management and internal risk control procedures.

Outlook

Going forward, the Group will build on its strengths to become one of the world's leading global integrated shipping companies in terms of economies of scale, range of services, profitability and customer satisfaction.

"We aim at improving customer satisfaction and increasing our profitability to create value for our shareholders. We will carefully monitor and address the challenges ahead of us, as we continue to focus on competitiveness, market share, and shareholder returns. In particular, the Group will adopt measures to reduce the risks associated with rising oil prices and RMB appreciation. We believe that container shipping demand and supply will be relatively balanced in the coming years and that the Group is well positioned to benefit from continued growth in the Chinese and global economies. Global economic prospects and the China Factor add to our confidence. " said Chairman Wei Jiafu.

The Group believes that the global economic environment will be positive in 2006. Although there is a great deal of new shipping capacity in the pipeline, a healthy world economy should continue to uphold demand for container shipping. China's growing role in international trade will continue to provide the Group with opportunities to expand. As China's macro-economic policies help to cool an overheated economy, it should be possible for the Chinese economy and trade to sustain growth in 2006 and beyond.

In 2006, the Group will execute strategies for both existing and emerging markets. It will seek to enlarge market share in the European and US routes by deploying new vessels that are due to come on-line during the year. It will look for new opportunities in emerging markets to further expand its worldwide shipping network. In all segments of the business, it will introduce new electronic information services and customized solutions for high value customers. Information technology and customer segmentation will be a key to building the brand in the coming year.

The Group will continue to improve its information systems and cost-control measures; maximize the assets of its container vessel fleet and shipping and terminal networks; and enhance its "door-to-door" services.

China COSCO is aware of the challenges ahead. The investor community has been concerned about a number of factors, including rising crude oil prices, revaluation of the RMB, demand and supply equilibrium of the global shipping industry, and Maersk's takeover of P&O Nedlloyd. As one of the world's major providers of integrated container shipping services, the Group is fully prepared to undertake strategies to address each of these issues and developments.

About China COSCO:

China COSCO Holdings Company Limited ("China COSCO"), (together with its subsidiaries, the "Group") was established in the PRC on 3 March 2005. It is the overseas listed flagship of China Ocean Shipping (Group) Company ("COSCO Group") (the second largest integrated shipping company in the world). China COSCO owns 100% of COSCO Container Lines Company Limited ("COSCON") and approximately 52% of COSCO Pacific Limited ("COSCO Pacific"). The Group is one of the leading global providers of integrated container shipping services to international and domestic customers. Its business includes the provision of a wide range of container shipping, container terminal, container leasing and freight forwarding and shipping agency services across the container shipping value chain. The Group was successfully listed in Hong Kong on 30 June 2005.

As of 31 December 2005, the Group operated a fleet of 124 container vessels through COSCON, with a total capacity of 322,000 TEUs which ranks the top ten among all global container vessels fleets in the world. The Group provides container liner shipping services in the Trans-Pacific market, the Asia-Europe market, the Intra-Asia market, other international markets and domestic market in the PRC. The Group calls at over 120 ports in over 40 countries and region across the world, providing container shipping integrated services to its customers along 66 international trade lanes, 16 international feeder service routes, 9 PRC coastal service routes and 55 Pearl River Delta and Yangtze River feeder service routes. At the same time, the Group owned 291 sales and service points in major cities in the PRC and owned 70 and managed and used 84 sales and service points overseas. The coverage of this network enables the Group to provide quality door-to-door services to its customers.

The Group also carries out the business of container terminals, container leasing and logistics through COSCO Pacific. As at 31 December 2005, the Group has invested in 20 terminal projects globally. The container terminals owned by the Group recorded an annual throughput of approximately 26 million TEUs, ranking the fifth in the world. As at 31 December 2005, the scale of the Group's container fleet reached 1,042,000 TEUs, the container leasing business represents 11% of the market share, ranking the third in the world. In addition, the Group owns 16.23% of CIMC, the world's largest container manufacturer.

As the overseas listed flagship of COSCO Group for shipping business and with its experience in the market and global strength, China COSCO is heading towards the direction of becoming a world leading enterprise in area of shipping integrated services.

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