

For Immediate Release



## **China COSCO Orders Eight 5100-TEU Container Vessels**

Hong Kong, June 26, 2006 – China COSCO Holding Company Limited (“China COSCO” or “the Group” HKSE: 1919), a leading global integrated container shipping, container terminal, container leasing, freight forwarding and shipping agency services company, today announced that its wholly-owned subsidiary, COSCO Container Lines Company Limited (“COSCON”), signed agreements with China State Shipbuilding Corporation, Limited (“CSSC”) and Jiangnan Shipyard for the construction of eight 5,100 TEU container vessels.

Two of the vessels are expected to be delivered on or before 30 June 2009. The remaining six vessels are expected to be delivered, two vessels at each time, on or before 31 October 2009, 28 February 2010 and 30 June 2010 respectively.

The aggregated cash consideration for the construction of the eight vessels is US\$516,800,000 (equivalent to approximately HK\$4,031,040,000), which will be payable in five installments, each installment will be equal to 20% of the total consideration. The first installment is payable in US\$ while the rest of the consideration will be paid in RMB.

China COSCO intends to finance approximately 70% of the total consideration via bank borrowing, while 20% will be satisfied by the listing proceeds raised by the Group in 2005 and the remaining 10% will be funded by the internal resources of COSCON.

China COSCO believes that the “China factor” will continue to be one of the driving forces of a healthy and stable global container shipping market; providing tremendous growth opportunities for carriers like China COSCO which enjoys the advantage of a vast China market. The purchase and deployment of the vessels will help the Group meet the demand of the

containers shipping market, help increase the market share, optimize the fleet structure and satisfy the continuous development of the Group.

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**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”). 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 1st June 2006, the Group operates a fleet of 136 container vessels through COSCON, with a total capacity of around 370,000 TEUs which ranks the fourth 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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