



China COSCO's Parent Company Transfers Two Overseas Subsidiaries to COSCO Container Lines

Hong Kong, July 13, 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”), just finished legal process to acquire the interests of China COSCO’s controlling shareholder, China Ocean Shipping (Group) Company (“COSCO”), in two overseas network companies in container shipping business, COSCO Philippines Shipping, Inc. (“CPSI”) and COSCO (HK) Cargo Services Co., Limited (“CCSC”).

The total consideration amount for CPSI is 55% of its net asset value as at 31 December 2005 while the total consideration amount for CCSC is HK\$1.

The acquisition of the two companies by COSCON will help to improve its integrated operation and management systems for container shipping in Southeast Asia.

The acquisition of the two overseas companies is based on China COSCO’s plan of the use of IPO proceeds, “approximately RMB1,000 million to enhance “door-to-door” services systems, in order to improve the quality of its integrated container shipping services”, as well as COSCO’s commitment recorded in the Prospectus, “It is the intention of COSCO that the interests in these overseas companies are to be transferred to COSCON, but complex local regulatory requirements and procedures made it impossible to complete the transfer in the period prior to the Listing. COSCO’s interests in these overseas companies may be acquired by COSCON in the future upon mutual agreement between the parties.”

In order to enhance competitiveness and build a solid foundation for the future growth of its container shipping business, China COSCO will continue to acquire overseas network companies in Asia, Europe, Africa and South America from its controlling shareholder. China COSCO believes that, after the restructuring, these overseas network companies will contribute to COSCON by way of further developing local market, cutting cost, and improving customer service.

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About China COSCO:

China COSCO Holdings Company Limited (“China COSCO”), (together with its subsidiaries, the “Group”) was established on 3 March 2005.

As the overseas listed flagship of China Ocean Shipping (Group) Company (“COSCO”), China COSCO aims to become a global leader in integrated shipping services. 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 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 30 June 2006, the Group operated a fleet of 139 container vessels through COSCON, with a total capacity of over 380,000 TEUs, the world’s fourth largest container fleet. The Group provides container liner shipping services in the Trans-Pacific market, the Asia-Europe market, the Intra-Asia market, in other international markets and in China’s domestic market. The Group calls at over 120 ports in over 40 countries and regions across the world. It provides integrated container shipping services to customers along 73 international trade routes, 16 international feeder service routes, 11 PRC coastal service routes and 55 Pearl River Delta and Yangtze River feeder service routes. The Group owns 291 sales and service points in major cities in China. Overseas, it owns 70 sales and service points and manages another 84. Its coverage enables the Group to provide quality door-to-door services to its customers.

The Group also has businesses in container terminals, container leasing and logistics through COSCO Pacific. As of 31 December 2005, the Group has invested in 20 terminal projects globally. The container terminals owned by the Group have an annual throughput of 26 million TEUs, ranking fifth in the world. As of 31 December 2005, the Group’s container fleet reached 1,042,000 TEUs. The container leasing business ranks third globally and represents 11% of global market share. The Group also owns 16.23% of CIMC, the world’s largest container manufacturer.

About COSCO Philippines Shipping, Inc.:

COSCO Philippines Shipping, Inc. (“CPSI”) was formed by a joint venture between COSCO and Bantayog Ocean Shipping, Inc. in 1996 and is the general agent of COSCO. Its main business is shipping agency and freight forwarding. After COSCON began its weekly Manila/Hong Kong service in March 2005, the cargo volume booked by CPSI on behalf of COSCON increased rapidly. Export volume in the first half of this year was up 146% and import volume rose by 153% compared to the same period of last year. In June 2006, COSCO transferred its approximately 55% interest to COSCON.

About COSCO (HK) Cargo Services Co., Limited:

COSCO (HK) Cargo Services Co., Limited (“CCSC”) was founded in 1992, and is an international freight-forwarding company which provides sea and air freight services, common feeder service, local and cross-boundary trucking service, sea-train transportation service, and services in custom declaration, container fumigation and commodities inspection. In view of its close business connection with COSCON, COSCO transferred its 100% interest to COSCON in June 2006.

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