

For Immediate Release



# 中国远洋控股股份有限公司

## China COSCO Holdings Company Limited

### China COSCO Announces 3Q 2008 Results

#### Financial Summary (according to the PRC financial reporting standard)

	3Q 2008		First 3 Quarters of 2008	
	RMB'Million	YOY Change %	RMB'Million	YOY Change %
Revenues	33,218	27	95,382	41
Net profit attributable to the shareholders of the listed company	5,556	18	19,712	67
Basic earnings per share (RMB)	0.54	-4	1.93	38

Note: The financial report for the third quarter is unaudited. And figures for the dry bulk shipping business for the corresponding period were consolidated.

(October 29, 2008, Hong Kong) China COSCO Holdings Company Limited ("China COSCO" or "the Group", HKEx:01919, SSE:601919), a leading global provider of integrated shipping and logistics services, today announced its financial results for the third quarter of 2008.

In the third quarter of 2008, the shipping sector experienced high volatility, which was mainly attributable to a number of unfavourable factors including the worsening global financial crisis, restrictions during the Olympic Games and decrease of trading in bulk commodities due to the problems with letters of credit and decreasing prices. All the aforementioned factors added fuel to the high volatility of the container shipping and dry bulk shipping markets. Especially for the dry bulk shipping market, the Baltic Dry Index ("BDI") dropped significantly to 3,217 points as at September 30, 2008, as compared to 9,589 points as at the end of second quarter, a decrease of 66.5%. Against the unfavourable market conditions, the Group has consistently adopted a prudent operating strategy to generate favourable results through the measures of strengthened marketing, stringent control of costs and continuously implementing its key client strategy.

In the third quarter of 2008, China COSCO recorded revenues of RMB 33.2 billion, an increase of 27% as compared to the same period of last year. Net profit attributable to equity holders of the company was RMB 5.6 billion, up 18%; basic earnings per share reached RMB 0.54. The accumulating EPS for

the three quarters was RMB 1.93.

As at September 30, 2008, China COSCO had a net cash position of RMB 10.8 billion.

## **Operations of business units**

### ***Container shipping and related businesses***

For the third quarter ended September 30, 2008, the shipping volume of container shipping of the Group reached 1,526,145 TEUs, an increase of 3.3% over the same period of last year. Revenue from container shipping operations decreased 7.8% to RMB 10,340,691,000. The shipping volume of container shipping of the Group in the first three quarters of 2008 was 4,540,815 TEUs, an increase of 7.0% over the same period of last year. Revenue from container shipping operations for the first three quarters increased 4.5% to RMB 30,317,417,000.

In the third quarter of 2008, the Group recorded slight increases in shipping volume in different routes. However the loading rate decreased slightly which was mainly affected by various factors including the sub-prime crisis and restrictions during the Olympic Games.

### ***Dry Bulk Shipping Business***

#### **Revenue by routes and cargo types**

In the third quarter of 2008, BDI dropped significantly which was mainly attributable to a number of factors including seasonal cyclical factors (in general, 3Q is a down season for the dry bulk shipping market), restrictions during the Olympic Games, negotiations on iron ore price, and a decrease in trading (due to letter of credit problems and decreasing commodity prices). Meanwhile the decrease of BDI triggered a crisis of confidence and chain reactions. However, the Group has consistently adopted a prudent and nimble operating strategy and achieved leading profitability among peers in the third quarter of 2008.

In the third quarter of 2008, the dry bulk shipping business of China COSCO continued to record growth. Shipping volume in the third quarter was 71.6 million tons, representing an increase of 9.7% as compared to the same period of last year.

As at September 30, 2008, the Group operated 462 dry bulk vessels, with a total of 36.2 million DWT. Of these, 206 vessels were self-owned vessels, totaled 13.3 million DWT; 256 vessels were chartered vessels, totaled 22.9 million DWT.

As at September 30, 2008, impact from FFA (Forward Freight Agreements) hedging to the net profit for the first nine months in 2008 was RMB 0.43 billion

in negative, accounting for 2% of the net profit during the period, which included 1) investment gain of RMB 1.87 billion and 2) fair value loss of RMB 2.31 billion. FFA is an important tool for shipping companies to hedge the volatility risk of future freight rate.

### ***Logistics Business***

For the first three quarters in 2008, the Group's logistics business maintained a stable development trend. Of which, the business volumes of home appliances, and chemical logistics achieved significant growth as compared to the same period of last year, increased by 35.7% and 35.3% respectively.

### ***Terminal and Related Business***

For the third quarter of 2008, the container throughput of the Group reached 12,168,062 TEUs, representing an increase of 19.5% as compared to the same period of 2007. For the first three quarters of 2008, the container throughput of the Group reached 34,256,108 TEUs, up 21.5% over the same period of 2007. The throughput in the Bohai Rim, Yangtze River Delta, Pearl River Delta and overseas increased 7.3%, 15.7%, 19.7% and 207.0% respectively as compared to the first three quarters of last year.

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### **About China COSCO**

China COSCO is a leading global provider of integrated shipping and logistics services. The Company's current business includes the provision of a wide range of services across the shipping value chain such as container shipping, dry bulk shipping, logistics, terminal operations, container leasing, freight forwarding and shipping agency services. Each business segment of the Company maintains a market leadership. China COSCO operates the world largest dry bulk fleet and the world No. 6 and China No.1 largest container vessel fleet. Its terminal operation and container leasing business rank world No.5 and No.2 respectively, and logistics segment is among the top in China. The Company was listed on the Hong Kong Stock Exchange in June 2005 and Shanghai Stock Exchange in June 2007. As the listed flagship and integrating platform of COSCO Group, China COSCO aims to become a global leading shipping and logistics conglomerate.

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