

For Immediate Release



## China COSCO Announces 2010 Interim Results

### Highlights:

- Revenues of the Group for 1H 2010 were RMB 45.55 billion, up 55.5% YoY.
- Profit attributable to equity holders of the Company for 1H 2010 was RMB 3.45 billion, up 174.9% YoY.
- Basic earnings per share amounted to RMB 0.34 yuan.

[25 August 2010, Hong Kong] China COSCO Holdings Company Limited (“China COSCO” or “the Group”, HKEx:1919, SSE:601919), a leading global provider of integrated shipping and logistics services, today announced its financial results for the six months ended 30 June 2010.

In 1H 2010, the global economy was recovering albeit with difficulties and fluctuations. Major economies were easing out of recession. International trade was increasing, leading to significant growth in maritime transportation and throughput at ports. These developments were favourable to the Group’s operations.

In 1H 2010, the Group recorded revenues of RMB 45.55 billion, up 55.5% year on year (“YoY”). Profit attributable to equity holders of the Company was RMB 3.45 billion, up 174.9% YoY.

### Review of Operations by Segment

#### ***Container Shipping and Related Businesses***

In 1H 2010, the total cargo volume of the Group’s container shipping business reached 2.95 million TEUs, up 25.3% YoY. Revenue of the container shipping business (excluding the income from vessels chartered out) reached RMB 17.2 billion, up 95.5%. In 1H 2010, the container shipping market recorded increases in both volume and price with robust transportation demand. The Group seized the opportunities and adopted proactive measures on shipping rates negotiations and levying surcharges. The Group continued to increase the number of vessels and lower the speed of the vessels as well as further reinforce cooperation with the CKYH Alliance in the inland regions in Europe and America. The Group further optimized its cost structure and perfected its marketing mechanism. The Group also focused on the balance of box sizes and box types and perfected the integrated sea and railroad transportation network for the inland markets.

As at 30 June 2010, the Group operated 150 container vessels with a total capacity of 597,030 TEUs, up 7.7% YoY or up 6.4% as compared to the end of 2009. In 1H

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2010, the Group took delivery of 11 new container vessels with a total capacity of 69,627 TEUs. As at 30 June 2010, the Group had an order book of 43 container vessels with a total capacity of 345,206 TEUs.

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

In 1H 2010, the total cargo volume of the Group's dry bulk shipping business reached 140 million tons, up 8.2% YoY. Revenue of the dry bulk shipping business was RMB 16.75 billion, up 51% YoY. In 1H 2010, the international dry bulk market was much better as compared to last year. However, the volatility of the dry bulk market intensified. The Group further analyzed the market trends and continued our major client strategy. As a result, we further expanded our client base and enlarged our cargo source. The Group achieved sustainable development by implementing various measures including shortening the shipping schedule, lowering vessel leasing cost, locking the price at high levels, achieving cost advantage and applying safe management.

As at 30 June 2010, the Group operated 449 dry bulk vessels with a total capacity of 38.922 million DWT. Of these, the Group owned 226 vessels or 17.736 million DWT and chartered 223 vessels or 21.186 million DWT. The Group had an order book of 22 dry bulk vessels or 3.42 million DWT.

According to the data as at 30 June 2010, fixed operation days for 2010 accounted for 70%. The time charter equivalent rate ("TCE") for various types of vessels increased 40% as compared to the average TCE realized in 2009.

### ***Logistics Business***

The Group aims to be the most competitive logistics services provider in China. In 1H 2010, the Group continued to maintain its leading position in the logistics sector. Revenue of the Group's logistics business was RMB 6.77 billion, up 16% YoY. The potential of product logistics and project logistics were huge. Shipping agency business and freight forwarding business demonstrated growth trend. The Group achieved outstanding results in service innovation, improvement of national network functionality, focusing on key clients and strengthening overseas emerging markets development.

### ***Terminal and Related Businesses***

In 1H 2010, total throughput of the Group's container terminals was 22.43 million TEUs, up 18.7% YoY. The Group aimed to strengthen the terminal business and actively to increase its controlling stake in terminals. The Group also expanded its global terminal network, diversified its terminal investment portfolio and increased its enterprise value, further consolidating its leading position in the global market.

### ***Container Leasing Business***

For the container leasing business, the Group continued to be the No.2 player in the world, accounting for about 14.4% market share. The average leasing rate in 1H 2010 was higher than the industry average. The Group will continue to adopt the asset light model to effectively manage the fleet scale.

### **Outlook**

The global economy is still facing considerable risks. The overall situation of the shipping market will be better than that in 2009. Although there are many uncertainties, the shipping market will fluctuate during the recovery and will achieve growth during the fluctuation. The Group will actively cope with the challenges in the post-financial crisis era. The Group will focus on economic value and continue to rely on the market in China with an aim to maintaining growth in the businesses of

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container shipping, dry bulk shipping, logistics, terminals operation and container leasing. The Group will also strive to achieve synergy among different business segments as well as to explore opportunities in other areas of the shipping industry.

The Board of Directors and the entire staff will continue to work hard and execute the Group's development strategy of "Overall planning and implementing in phases" and create value for shareholders.

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### **About China COSCO:**

China COSCO Holdings Company Limited ("China COSCO") and its subsidiary, collectively called ("the Group"), 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. 5 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.

### **Disclaimer:**

This press release may contain certain forward-looking information and/or information that is not based on historical data. Reliance on any forward-looking statements involves risks and uncertainties and that, although China COSCO believes that assumptions on which the forward-looking statements are based are reasonable, any or all of those assumptions could prove to be incorrect and as a result, the inclusion of forward-looking statements in this press release should not be regarded as representations by China COSCO concerning future performance of the Group and readers should not place undue reliance on such forward-looking statements. In addition, China COSCO undertakes no obligation to publicly update or revise any of these statements as a result of new information, future events or otherwise.

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