

COSCO SHIPPING CO., LTD.

**Summary of
Annual Report 2007**



March 2008

§1 Important Notes

The board of directors, the supervisory committee, the directors, the supervisors and senior executives of COSCO Shipping Co., Ltd. (hereafter the 'Company') hereby warrant that there are no fictitious statements, misleading representations or major omissions in this report; and shall assume joint and several liability for the truthfulness, accuracy and completeness of the contents hereof. This report summary is extracted from the original annual report; for details, investors should carefully read the original.

All the directors of the Company attended the board meeting.

Mr. Xu Lirong, the Chairman, Mr. Jiang Lijun, the Chief Executive Officer, Mr. Lin Jingwei, the Chief Financial Officer and Ms. Huang Xiaohui, the Manager of the Financial Department hereby declare to guarantee the truthfulness and completeness of the financial report enclosed in this annual report.

The 2007 financial report of the Company has been audited by Shu Lun Pan Yangcheng Certified Public Accountants Co., Ltd. (formerly called "Guangdong Yangcheng Certified Public Accountants Co., Ltd.") who has produced a standard and unreserved auditors' report.

§2 Company Profile

2.1 Basic Information of the Company

Short Form of the Stock: COSCOL

Stock Code: 600428

Stock Exchange Listed with: Shanghai Stock Exchange

Registered Address: Kang Sheng Building, 282 Dongjiang Ave, Protective Tariff Zone, Guangzhou, P. R. China

Office Address: 2-3F, Yijing Building, Jiangyue Road, Wuyang New City, Guangzhou, P. R. China

Postcode: 510600

Website: <http://www.coscol.com.cn>

Email: info@coscol.com.cn

2.2 Contact Details

2.2.1 Secretary of the Board

Name: Xue Jundong

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2.2.2 Securities Affairs Representative of the Board

Name: Dong Yuhang

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§3 Accounting and Financial Highlights

3.1 Main Accounting Data

Main accounting data	2007	2006	Increase/decrease compared with the previous year (%)	2005
Operating revenue	5,325,194,827.63	3,850,755,461.30	38.29%	3,741,927,100.48
Total profit	1,469,650,088.30	841,890,558.83	74.57%	1,034,981,130.22
Net profit attributed to the shareholders of the Company	1,073,882,788.01	582,714,342.29	84.29%	685,067,944.57
Company shareholders' net profit less non-recurring gains and losses	986,647,306.46	543,682,548.18	81.47%	685,110,633.61
Net cash flow from operating activities	1,304,721,833.88	735,017,879.99	77.51%	1,060,284,677.83
	End of 2007	End of 2006	Increase/decrease compared with the previous year (%)	End of 2005
Total assets	5,003,744,444.05	4,187,649,758.33	19.49%	3,820,646,152.63
Owners' equity (or shareholders' equity)	3,338,117,730.37	2,563,022,651.37	30.24%	2,121,582,948.33

3.2 Main Financial Indicators

	2007	2006	Increase/decrease compared with the previous year (%)	2005
Earnings per share	1.64	0.89	84.29%	1.05
Diluted earnings per share	1.64	0.89	84.29%	1.05
Basic earnings per share less non-recurring gains and	1.51	0.83	81.47%	1.05
Net asset-income ratio (%) - Fully diluted	32.17%	22.74%	Up 9.43%	32.29%
Net asset-income ratio (%) - Weighted average	36.17%	24.82%	Up 11.35%	33.76%
Net asset-income ratio (%) less non-recurring gains and losses - Fully diluted	29.56%	21.21%	Up 8.35%	32.29%

Net asset-income ratio (%) less non-recurring gains and losses - Weighted average	33.73%	23.36%	Up 10.37%	33.76%
Net cash flow per share arising from operating activities	1.99	1.12	77.51%	1.62
	2007	2006	Increase/decrease compared with the previous year (%)	2005
Net assets per share attributed to the shareholders of the Company	5.09	3.91	30.24%	3.24

Items of Non-recurring Gains or Losses

Applicable Not Applicable

Items of non-recurring gain/loss	Amount (In RMB)
Investment revenue	11,629,309.17
Non-operating income	114,883,846.90
Non-operating expenses	2,017,166.72
Influence value for income tax	-37,227,349.48
Total	87,268,639.87

1. The investment revenue arose from the 2006 and the first half of 2007 profit distribution by COSCO Finance Co., Ltd.
2. The non-operating income and non-operating expenses resulted from the revenue of selling MV Qing Jiang and the payout for donation.

3.3 Items Measured at Fair Value

Applicable Not Applicable

3.4 Differences between the PRC Accounting Standards and the International Accounting Standards

Applicable Not Applicable

§4 Changes in Share Capital and Particulars about Shareholders

4.1 Statement of Changes in Shares

	Before the change		Increase/decrease of the change (+,-)					After the change	
	Quantity	Proportion (%)	Shares issued additionally	Bonus shares	Shares converted from public capital reserve	Other	Subtotal	Quantity	Proportion (%)
I. Nonnegotiable Shares	328440444	50.13				-32760000	-32760000	295680444	45.13
1. State-owned shares									
2.State-owned legal person shares	328440444	50.13				-32760000	-32760000	295680444	45.13
3. Other domestic investors' shares									
Including:									
Domestic legal person shares									
Domestic natural person shares									
4. Foreign investors' shares									
Including:									
Overseas legal person shares									
Overseas natural person shares									
II. Negotiable Shares									
1. RMB ordinary shares									
2.Foreign shares listed domestically	326759556	49.87				+32760000	+32760000	359519556	54.87
3. Foreign shares listed abroad	326759556	49.87				+32760000	+32760000	359519556	54.87
4. Others									
III. Total Shares	655200000	100				0	0	655200000	100

4.2 Statement of Changes in Nonnegotiable Shares

Name of shareholder	Nonnegotiable shares at year beginning	Nonnegotiable shares released this year	Nonnegotiable shares added this year	Nonnegotiable shares at year end	Reason for restriction	Date of release
Guangzhou Ocean Shipping Company	328,440,444	32,760,000	0	295,680,444	Note 1	December 9, 2008

Note 1: According to the undertaking of Guangzhou Ocean Shipping Company, the shares it holds cannot be listed and traded at stock exchange within 24 months as of the implementation date of the Company's split share reform; after that, the aforesaid shares listed and traded at stock exchange within 12 months cannot be more than 5% of the total share capital of the Company and the price cannot be lower than 8.63 Yuan per share (Ex-right and ex-dividend should be settled accordingly when the Company's share capital or shareholders' equity change due to profit distribution, conversion of capital reserves into shares, increase or allotment of newly issued shares).

4.3 Top Ten Shareholders and Top Ten Shareholders of Negotiable Shares

Total shareholders at period end:		27,272			
Top Ten Shareholders					
Full name of shareholder	Nature of shareholder	Percentage (%)	Number of shares held at year end	Number of nonnegotiable shares held	Shares pledged or frozen
Guangzhou Ocean Shipping Company	State-owned	50.13%	328,440,444	295,680,444	0
Fortune SGAM Selected Sectors Fund	Other	1.79%	11,732,697	-	Unknown
Dacheng Stable Blue Chip Fund	Other	1.69%	11,082,694	-	Unknown
GET COSCO Guangzhou Marine Service Co., Ltd.	Other	1.46%	9,597,335	-	0
Hua An Small/Mid Cap Growth Equity Fund	Other	1.42%	9,293,145	-	Unknown
Harvest Service Value-Added Industry Fund	Other	1.37%	8,978,877	-	Unknown
Fortune SGAM Advanced Growth Fund	Other	1.22%	8,000,000	-	Unknown
Fortune SGAM Dividend Growth Fund	Other	1.19%	7,780,000	-	Unknown
China Universal Equilibrium Growth Stock Fund	Other	1.17%	7,679,418	-	Unknown
China Universal Growth Focus Equity Fund	Other	1.17%	7,674,658	-	Unknown
Top Ten Shareholders of Negotiable Shares					
Full name of shareholder	Number of negotiable shares held		Share type		
Guangzhou Ocean Shipping Company	32,760,000		A Shares		
Fortune SGAM Industry Selected Equity Fund	11,732,697		A Shares		
Dacheng Stable Blue Chip Fund	11,082,694		A Shares		
GET COSCO Guangzhou Marine Service Co., Ltd.	9,597,335		A Shares		
Hua An Small/Mid Cap Growth Equity Fund	9,293,145		A Shares		
Harvest Service Value-Added Industry Fund	8,978,877		A Shares		
Fortune SGAM Advanced Growth Fund	8,000,000		A Shares		
Fortune SGAM Dividend Growth Fund	7,780,000		A Shares		
China Universal Equilibrium Growth Stock Fund	7,679,418		A Shares		
China Universal Growth Focus Equity Fund	7,674,658		A Shares		
Notes to the associate relations or concerted actions among the above-mentioned shareholders:					

(1) In the report period the shareholder owning over 5% of the Company's stock was Guangzhou Ocean Shipping Company, COSCO Guangzhou Marine Service Co., Ltd of Guangzhou Economic and Technological Development Zone (hereafter "GET"), were pledged or frozen, however, it was unknown to the Company whether the negotiable shares were pledged or frozen.

(2) Guangzhou Ocean Shipping Company held shares on behalf of the state.

(3) Among the top 10 shareholders, Guangzhou Ocean Shipping Company, COSCO Guangzhou Marine Service Co., Ltd of GET are both subsidiaries of China Ocean Shipping (Group) Company (hereafter "COSCO"), the Company's actual controller; and Guangzhou Ocean Shipping Company holds 52% of the stock of COSCO Guangzhou Marine Service Co., Ltd of GET (For details, see *Prospectus Summary of COSCO Shipping Co., Ltd* in *China Securities Journal* April 1, 2002 and www.sse.com.cn, the website of Shanghai Stock Exchange).

(4) Among the top 10 shareholders of negotiable shares, Fortune SGAM Selected Sectors Fund, Fortune SGAM Advanced Growth Fund, Fortune SGAM Dividend Growth Fund are the funds under SGAM Fund Management Co., Ltd; China Universal Equilibrium Growth Stock Fund and China Universal Growth Focus Equity Fund are the funds under China Universal Asset Management Co., Ltd.; and the Company has no knowledge of the associate relations of the other negotiable share holders.

4.4 Information of the Controlling Shareholder and the Actual Controller

4.4.1 Changes of the Controlling Shareholder and the Actual Controller

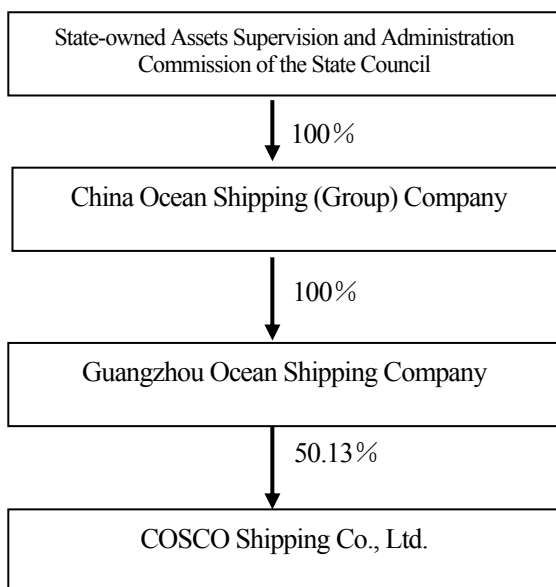
Applicable Not Applicable

4.4.2 Details of the Controlling Shareholder and the Actual Controller

The controlling shareholder of the Company is Guangzhou Ocean Shipping Company (hereafter "COSCOGZ"), which was founded in April 1961 and is now legally represented by Mr. Xu Huixing. With registered capital of RMB 210 million, COSCOGZ focuses on ocean and coastal cargo shipping, passenger shipping, international air-land-sea combined shipping, international freight agency service and consigning, applying to customs, storing, freight forwarding, combined transport, loading and discharging of container shipping and transport service of major and minor lines.

COSCOGZ is a wholly-owned subsidiary of COSCO, the actual controller that was founded in April, 1961 and its legal representative is Mr. Wei Jiafu. With registered capital of RMB 1, 900 million, COSCO specializes in international passenger/cargo shipping, taking cargo bookings, chartering and time chartering; undertaking chartering/leasing, building and trading containers and ships, ship repairing and spare parts manufacturing; serving as shipping agency and dealing with import and export cargoes, canvassing and providing storing, declaring at customs, freight forwarding, multimodal combined and door-to-door transport service.

4.4.3 Block Diagram for Property Right and Controlling Relationship between the Company and the Actual Controller:



§5 Directors, Supervisors and Senior Executives

5.1 Share Changes and Remuneration of Directors, Supervisors and Senior Executives

No.	Name	Post	Sex	Age	Office term	Opening balance	Ending balance	Reason for change	Total remuneration (Pre-tax RMB'0000)	Whether Paid by shareholders' Company or not	Note
1	Xu Lirong	Chairman of the Board	Male	51	Feb. 07 – Jan. 09	0	0	-	131.6	Yes	Note 1
2	Xu Huixing	Vice-chairman of the Board	Male	58	Jan. 06 – Jan. 09	0	0	-	147.8	Yes	Note 1
3	Liu Shutian	Director	Male	57	Jan. 06 – Jan. 09	0	0	-	98.6	Yes	Note 1
4	Fu Wei	Director	Female	59	Jan. 06 – Jan. 09	0	0	-	98.6	Yes	Note 1
5	Jiang Lijun	Director, CEO	Male	53	Jan. 06 – Jan. 09	0	0	-	215.4	No	Note 1
6	Guo Jing	Director, COO	Male	47	Jan. 06 – Jan. 09	0	0	-	215.4	No	Note 1
7	Zhou Shouhua	Independent director	Male	44	Jan. 06 – Jan. 09	0	0	-	9.8	No	Note 2
8	Yang Zan	Independent director	Male	50	Jan. 06 – Jan. 09	0	0	-	10.1	No	Note 2
9	Tan Jinsong	Independent director	Male	43	Jan. 06 – Jan. 09	0	0	-	10.1	No	Note 2
10	Ma Zongmei	Chairman of Supervisory Committee	Male	54	Jan. 06 – Jan. 09	0	0	-	73.9	Yes	Note 1
11	Hu Jinpei	Supervisor	Male	44	Jan. 06 – Jan. 09	0	0	-	49.3	Yes	Note 1
12	Weng Jiqiang	Supervisor	Male	43	Jan. 06 – Jan. 09	0	0	-	49.3	Yes	Note 1
13	Huang Jizhong	Supervisor	Male	59	Jan. 06 – Jan. 09	0	0	-	49.3	Yes	Note 1
14	Hong Jianchun	Supervisor	Male	49	Jan. 06 – Jan. 09	0	0	-	32.3	No	Note 1
15	Wu Miaoyong	Supervisor	Male	40	Jan. 06 – Jan. 09	0	0	-	40.9	No	Note 1
16	Fang Zhiwei	Supervisor	Male	55	Jan. 06 – Jan. 09	0	0	-	37.1	No	Note 1
17	Lai Yiguang	Executive deputy general manager	Male	51	Jan. 06 – Jan. 09	0	0	-	215.4	No	Note 1
18	Du Junmin	Deputy general manager	Male	53	Jan. 06 – Jan. 09	0	0	-	172.3	No	Note 1
19	Guo fuxiang	Deputy general manager	Male	58	Jan. 06 – Jan. 09	0	0	-	172.3	No	Note 1
20	Lin Jingwei	Deputy general manager, CFO	Male	41	Jan. 06 – Jan. 09	0	0	-	172.3	No	Note 1
21	Xue Jundong	Secretary of the Board	Male	35	Jan. 06 – Jan. 09	0	0	-	172.3	No	Note 1

Note 1: According to *Mid-term Encouragement and Restriction Plan of COSCOL* (hereafter the 'Plan') which was approved at the 2005 second provisional shareholders' meeting on Sept. 22, 2005, all the directors, supervisors (exclusive of independent directors) and senior executives of the Company participated in the profit distribution of the *Plan*.

Note 2: The independent directors did not engage in the *Plan* for remuneration.

§6 Directors' Report

6.1 Analysis on the Overall Business Operation in the Report Period

I Principal Activities of the Directors

The report period experienced the second year of the Third Board of Directors. During the period, the Directors' wholehearted devotion to duty and continuous ideas of innovation led to new progresses in all activities. The main achievements are as follows:

Regarding the operating activities, the Board of Directors fully supported the work of the Senior Management Team and accurately analyzed the business environment so that COSCOL could make preferable progresses in the operation of the regular lines, the development of the special vessels and the charter-in activities. Such progresses contributed to the greatest achievement in history and the stability of the vessels' safety management activities. The Board of Directors, followed the idea of being an "undertaker of social responsibilities," constantly devoting themselves to promote 'energy-saving, emission-reduction' activities, supporting as well as participating in biological environmental protection, and actively improving COSCOL's environment protection system.

In capacity development, the Board of Directors set down the annual arrangement of capacity development, and actively supported COSCOL in vessel purchasing and shipbuilding. Hence in the report period, COSCOL signed shipbuilding contracts for eight multi-purpose vessels of 28,000 DWT and two semi-submersible vessels of 50,000 DWT, which will effectively accelerate the healthy and sustainable development of COSCOL's fleet.

As for capital operation, the Board of Directors actively facilitated COSCOL to make use of the advantages of the capital market so as to accelerate the leap-forward development of COSCOL. During the report period, Tianjin COSCO Shipping Co., Ltd. officially started its business; and COSCOL issued 1.05 billion Yuan of detachable convertible bonds as a project of financing for her capacity development and comprehensive strength enhancement.

In respect of human resource, the Board of Directors, according to the requirement of COSCOL's development and operation, supported COSCOL to establish a team of her own seamen so as to lay a foundation of human resource for the development of COSCOL's special fleet and safeguard the healthy development of COSCOL.

As regards company management, the Board of Directors always treats the improvement of management, the intendance of lawful and regular operation as the most important activities. COSCOL therefore actively developed special activities on corporate governance so as to thoroughly carry out internal examinations, comprehensively analyze the existent problems, fulfill rectification steps and accelerate the improvement of management.

II Analysis on the Overall Business Operation in the Report Period

(I) The Global Shipping Market Situation and its Impact on the Company

In the report period, although adversely affected by the constant depreciation of USD, the sub-prime mortgage crisis and the high oil prices, the global economy on the whole kept growing steadily by 4.7%, a growing rate of

more than 4% for the fifth year in a row, and the global economic growth cycle continued to be extended. The economy of China carried on growing steadily and rapidly with its GDP up by 11.4%. Although the absolute value of trade surplus was still increasing, the effect of the government's macro-control policy emerged gradually and the increase tended to be cooling. It was predicted by the International Monetary Fund (IMF) that in 2008 the global economy would grow by 4.1%, which is less than that in 2007, while the global trade would grow by 6.7%, which is equivalent to that in 2007. The growth of Chinese economy will stay from rapid growth to steady increase, and the increase of trade surplus will be cooling.

In the report period, the economic globalization and the regional cooperation led to deep changes in global industrial and trade structures. The emerging economic communities represented by China and India were constantly strengthening their positions and influences in the global economy and trade, playing more and more important roles in the super cycle of global economic growth and driving the international shipping market into a continuous, rapid and high-stand development. Speed-up of the multi-polarization of the global economy and extension of the global economic growth cycle brought new chances and challenges to the international shipping market. In the meantime, high oil prices and speculation of venture capitals shook the international shipping market violently. In the report period, BDI, which reflects the international freight trend of dry bulk cargo, fluctuated violently and rose to records repeatedly, resulting in a yearly average of 7070. On November 13th, it even rose to 11039, the tiptop in history. The container shipping market witnessed the increases in both the volumes and freight rates; WS, which reflects the world freight rates of oil tankers, slumped in the year, but rose at the end of November transitorily and rapidly.

(2) Stable and Favorable Development of Special General Cargo Shipping

The economy of China was strengthening its influence on the global trade and shipping market increasingly. Driven by the implementation of the "going-out" strategy in Chinese enterprises, the constructions of global energy and basic facilities, the market of special general cargo shipping grew in a favorable trend. The China Factor led to exuberant demand for import and export, all the lines kept on facing a shortage of carrying capacity. The relation between supply and demand in terms of multi-purpose vessel capacity was relatively balanced, the freight rates rose stably. Pushed by the rapid development of deep-sea petrol exploitation due to the high oil prices, semi-submersible vessels kept on being in short supply in the coming few years. Increasing demand for the equipments and project cargoes reflected the shortage of carrying capacity of heavy-lift vessels. The increase of the Global pure car shipping led to the severe supply shortage of pure car carriers

Influenced by the rise of the market of dry bulk cargoes and COSCOL's strengthening the development of emerging markets, in the report period, the Company's source of return cargoes increased to a considerable degree. However, affected by the import and export structure of China, the imbalance between cargo source and freight rate in import and export shipping will exist for a long time. In 2007, the income from export shipping accounted for 48.76% of COSCOL's total shipping revenue, up 44.22% and the profit from principal business of export shipping accounted for 54.50% of COSCOL's total operating profit, up 73.47% on a year-on-year basis. The income from the

return shipping of COSCOL increased 3.24% and the profit from principal business of return shipping 57.33%, both compared with the previous year. Because the profit from return shipping only took 7.59% of the profit from COSCOL's principal business, its impact on the total profit of the Company was relatively small.

In 2008, although the sub-prime mortgage crisis is still going on and the oil prices is constantly rising to new records, the fundamental trend in the global economy increase will still be favorable and the global economy and trade will continue to develop steadily. Therefore, exuberant demand for the global market of special general cargo shipping will still exist. And the global market of special general cargo shipping will thus maintain an overall balance between supply and demand. The global shipping market environment will still be preferable. Hence, COSCOL holds a prudential yet optimistic outlook on the special general cargo market of 2008.

(II) Production and Operation Summary

At the end of the report period, COSCOL owned and controlled eighty-two vessels including multi-purpose vessels, general cargo vessels, heavy-lift vessels, semi-submersible vessels, ro-ro ships and pure car carriers, 20.70 years old on the average and 1,300,000 DWT in all.

In the report period, the Company continued the management mode of 'upgrade core lines on the basis of fixed lines,' reinforced the advantage in terms of localized operation in China, made great efforts to consolidate and enlarge the share in the export shipping market of special general cargos. While maintaining the key lines, the Company made overall plans for the vessels, sped up turnover of the vessels and improved profitability of the fleet. The company focused on marketing, caught the high-end market, insisted on key-account strategy, developed VIP clients and timely signed COAs. Also the Company deepened the research into the international trade development tendency, persistently exploited new markets and kept watch on the competitors' movement, developed in the course of competition and cooperated in the course of development. Moreover the company went out its way to duly dispatch berthing and departure of vessels, shortened their stay in port and saved energy by technology improvement so that the running cost of the Company was efficiently reduced.

In the report period, the Company stuck to the development ideology of 'keeping unique,' synthetically carried out the means of 'retiring, chartering, purchasing and building' so as to effectively accelerate the adjustment of fleet structure. As a result, a group of vessels named Qing Jiang, Ping Jiang and Hun Jiang retired in the report period. Meanwhile newbuilding contracts for 8 multi-purpose vessels of 28,000 DWT were signed through COSCOL (HK) Investment & Development Co., Ltd. (hereinafter 'COSCOL HK'), which gave full play to its advantage as overseas purchasing and newbuilding platform; and the Company invested for newbuilding of 2 semi-submersible vessels of 50,000 DWT, which will greatly upgrade the strength of the Company's specialized shipping fleet. In addition, the Company took various measures in order to deal with the insufficiency of the current carrying capacity: on the one hand, more efforts were made in maintaining the aged vessels so as to prolong the service period and improve the efficiency; on the other hand, more vessels were chartered in at the right time so as to resolve the interim insufficiency of carrying capacity and improve the Company's economic effects.

In the report period, the Company's operating revenue amounted to RMB 5,325,194,827.63, increasing by 38.2% over 2006; the operating profit RMB 1,356,783,408.12, increasing by 73.09% over 2006 and the net profit RMB 1,073,882,788.01, increasing by 84.29% over 2006.

(1) Multipurpose vessels and general cargo vessels

At the end of the report period, the Company owned and controlled sixty-seven multipurpose vessels and general cargo vessels, totaling 1,132,500 DWT. These vessels had advantage in scale and their lines spread widely, which facilitated them to provide worldwide transportation services for the same client. In the report period, driven by the prosperous market, the Company made very good achievements by appropriately deploying the carrying capacity, timely adjusting the freight rate and strictly controlling the cost despite that the carrying capacity of the self-owned multipurpose vessels and general cargo vessels was reduced.

In the report period, the operating income from multipurpose vessels and general cargo vessels amounted to RMB 4,017,167,169.47, accounting for 76.69% of the total income from the whole fleet; the operating profit RMB 1,175,977,574.54, 73.29% of the total operating profit.

(2) Semi-submersible vessels

At the end of the report period, the Company owned three semi-submersible vessels totaling 51,500 DWT. The new generation semi-submersible vessels Tai An Kou and Kang Sheng Kou mainly performed the transportation of the offshore project cargos such as drilling rig and FPSO. Plenty of orders were received and the freight rate steadily increased.

In the report period, the operating income from the semi-submersible vessels amounted to RMB 344,883,391.90, accounting for 6.58% of the operating income of the fleet; the operating profit RMB 182,363,510.18, accounting for 11.36% of the operating profit of the fleet.

(3) Heavy lift vessels

At the end of the report period, the company owned four heavy lift vessels totaling 67,800 DWT. In the report period, due to the accelerated development of the infrastructure construction and investment on heavy chemistry industry, the shipping market in terms of machinery and super heavy and oversized cargos grew rapidly and the freight rate increased steadily, thus creating great profit for the Company.

In the report period, the operating income from the heavy lift vessels amounted to RMB 257,047,679.96, accounting for 4.83% of the operating income of the fleet; the operating profit RMB 157,201,147.77, 9.80% of the operating profit of the fleet.

(4) Pure Car carriers

At the end of the report period, the Company possessed five car carriers totaling 36,600 DWT. In the report period, the domestic sales of vehicles increased steadily and the international complete vehicle shipping was in great demand. As to the domestic lines, the Company cooperated with other car carrier companies in providing regular

liner services to such VIPs as Toyota, Mazda Hainan, etc. Meanwhile the Company made great efforts to expand the new trading areas worldwide and entered into long-term contract of carriage with the clients, resulting in a marvelous success.

In the report period, the operating income from the car carriers amounted to RMB457,915,216.4, accounting for 8.74% of the operating income of the fleet; the operating profit RMB 54,155,472.13, 3.37% of the operating profit of the fleet.

(5) Ro-Ro vessels

At the end of the report period, the Company owned three ro-ro vessels totaling 41,400 DWT. The advantage of this type of vessels was fully taken in the transportation of machinery, equipment and heavy vehicles, thus making a favorable profit.

In the report period, the operating income from the ro-ro vessels amounted to RMB 161,091,656.81, accounting for 3.08% of the operating income of the fleet; the operating profit RMB 34,928,744.74, 2.18% of the operating profit of the fleet.

(III) Analysis of Fuel Oil

In the report period, because of the continuously increasing world economy, the unstable situation in Middle East, the speculation of international hot-money, the continuous depreciation of dollar, oil price in the international market went up sharply after it hit the bottom line and repeatedly reached its historic heights. On Nov. 23rd, 2007, oil price in Brunt market (London) was USD 99.29 PB, the highest ever throughout the year. Due to the uprising oil price in international market, the price of ship fuel oil went up accordingly, and the markup was much higher than raw oil price. In 2007, the average price of international ship fuel oil increased 19.6% compared with the previous year.

In the report period, the average purchase price of ship heavy fuel oil was USD 380.16 per ton, up 17.23% on a year-on-year basis; diesel oil USD 644.66 per ton, up 10.28%. Influenced by the overall increase of operating cost, fuel oil price accounted for 32.41% of the overall operating cost while in the previous year 33.27%. Detailed analysis proves that influenced by the increase of fuel oil price, about RMB 82,582,900 more was paid for fuel oil than the previous year; about RMB 199,710,100 more was paid due to the rise of self-operating vessels in proportion and the increase of charter-in vessels; meanwhile, because the Company had always paid due attention to fuel oil purchase and cost control, took advantage of the collective purchase system of COSCO Group, made more efforts to maintain ship main engines, took energy-saving measures and developed new technology, enhanced the utilities of ship deadweight, the unit consumption of ship fuel oil decreased 4.9 % compared with the previous year; thus RMB 55,758,200 was saved. Therefore, in the report period, only RMB 226,534,800 was increased in ship fuel oil.

Affected by the steady increase of global economy, the geopolitical rivalries, the speculation of hot-money, the

depreciation of USD, the global oil price in 2008 will still stay high in a period in the future. Shipping industry would have to face the realities of high oil price and high cost.

(IV) Influence of Exchange Rate Fluctuation on the Company

In the report period, the RMB appreciation accelerated unilaterally in the exchange rate of RMB versus US dollar, altogether the appreciation of RMB reached 6.9%, up 3.21% in the appreciation acceleration compared with 2006.

In the report period, freight income in USD of the Company is USD 613,310,000 but the appreciation of RMB resulted in loss of RMB 119,819,000. Meanwhile, in the cost paid in foreign currency by the Company, the influence of change of RMB exchange rate resulted in a less payment of RMB 61,132,900. Less profit of RMB 58,686,100 was directly attributed to the difference of the reduction between the income and cost.

Besides, due to the change of exchange rate, the liabilities of the Company in foreign currency caused an exchange gain of about RMB 38,643,900 while the assets in foreign currency an exchange loss of RMB 97,342,200. Altogether the loss due to foreign exchanges amounted to RMB 58,698,300.

Facing the risk of changes in exchange rates, the Company had showed close concern for the change of internal and external financial environments and had taken many active steps to handle, e.g. to adjust the proportion of income and expenses, to further improve the unbalance of income and expenses in foreign currency to make a less proportion of income in USD; to timely exchange foreign currency on condition that the minimum demand for daily operation and foreign investment was met so as to avoid the risk of further depreciation of foreign currency assets; to try our best to open dual currency accounts for financing and make use of the financial tools to prevent rate risks.

(V) Analysis of Cash Flow

In the report period, the net increase of cash and cash equivalents of the Company added up to RMB 129,907,062.72, which produced plenty of cash flows.

In the report period, the Company got close hold of the market opportunity and the operation performance rose rapidly so that the net cash flow arising from business activities amounted to RMB 1,304,721,833.88, and the net cash flow per share RMB 1.99, up 76.11% on a year-on-year basis due to the 36.11% increase of transportation income over the previous year. At the same time, the Company continued to tighten up freight collection; thus by the end of the report period, the rate of freight collection reached 99.11%, ensuring a prompt collection of the funds.

In the report period, the net cash flow arising from investment activities was RMB 729,015,894.28 in negative, decreasing RMB 504,126,120.97 over the previous year due to the fact that in the report period, the Company paid first installment of RMB 840,773,820 for the newbuilding of eight 28,000 DWT multi-purpose vessels and two 50,000 DWT semi-submersibles ships whist the first installment for building new ships in 2006 was RMB 312,622,743.07. Besides, the Company disposed MV Qing Jiang and another two aged vessels, resulting in a cash inflow of RMB 126,583,574.72, up RMB 38,987,305.05 in comparison with the previous year.

In the report period, the net cash flow arising from financing activities totaled RMB 387,100,588.94 in negative, down RMB 136,342,786.01 over the previous year owing to the fact that the Company paid share dividends of RMB 262,080,000, a year-on-year increase of RMB 131,040,000.

6.2 Classification of Principal Businesses in Terms of Vessel Types and Services

Applicable Not Applicable

In the report period, the operating revenue achieved by the Company's fleet amounted to RMB 5,238,105,114.53, the operating cost of the fleet RMB 3,558,469,556.30, the operating profit of the fleet RMB 1,604,626,449.38, creating an average gross profit rate of 32.07% and a time charter rate of US\$ 11,391.92 per operation day (This index is a correction to the marginal profit rate, which is used to assess the rate level of the sector and is shortened for 'Time Charter Rate,' while Time Charter Rate = (revenue - variable cost - operating tax) /operation days); The following table shows the composition in terms of six vessels types:

Monetary Unit: RMB Yuan

Type of vessel	Operating revenue of the fleet	Operating cost of the fleet	Operating profit of the fleet	Gross profit rate	Increase/Decrease of gross profit rate over the previous year	Time charter rate(USD/Operation days)	Increase/Decrease of time charter rate over the previous year
General cargo	844,703,768.85	608,655,794.40	220,606,738.05	27.94	18.22%	6,959.13	69.82
Multi-purpose	3,172,463,400.62	2,169,124,291.92	955,370,836.49	31.63	5.38%	12,638.00	34.26
Semi-submersible	344,883,391.90	160,703,581.13	182,363,510.18	53.40	-10.85%	26,814.71	-11.79
Ro/Ro	161,091,656.81	122,927,582.24	34,928,744.74	23.69	-1.09%	7,998.67	10.84
Heavy lift	257,047,679.96	99,633,470.92	157,201,147.77	61.24	9%	20,091.45	15.73
Pure car carrier	457,915,216.40	397,424,835.68	54,155,472.13	13.21	-6.2%	7,804.14	-1.64
Total	5,238,105,114.53	3,558,469,556.30	1,604,626,449.38	32.07	4.44%	11,391.92	31.35

6.3 Classification of Principal Businesses in Terms of Regions

Applicable Not Applicable

Monetary Unit: RMB Yuan

	Freight amount (Ton)	Operating revenue of the fleet	Percentage (%)	Operating profit of the fleet	Increase/Decrease of fleet operating revenue over the previous year	Increase/Decrease of fleet operating profit over the previous year	Increase/Decrease of gross profit rate over the previous year
Import shipping	2,720,238	816,390,858.41	15.59	121,837,173.80	3.24	57.33	5.13
Export shipping	3,082,765	2,554,203,987.67	48.76	874,490,615.12	44.22	73.47	5.77
Coastal shipping	202,779	285,958,104.35	5.46	35,376,787.54	226.21	537.08	6.04

Third shipping county	2,295,871	1,581,552,164.10	30.19	572,921,872.92	31.92	38.19	164
Total	8,301,653	5,238,105,114.53	100.00	1,604,626,449.38	36.11	60.19	4.6

6.4 Use of Raised Funds

Applicable Not Applicable

Projects Changed

Applicable Not Applicable

6.5 Projects Invested by Non-raised Funds

Applicable Not Applicable

Items	Amount	Progress	Income
NYKCOS Car Carrier Co., Ltd. purchasing second-hand PCC Fu Han Kou	USD 2.5 Million	Purchased on Jan18 th , 2006	RMB 22,555,076.47
COSCOL HK building eight multipurpose vessels of 28,000 DWT	USD 256 Million	An initial payment of USD38.4 million done on May 31 st , 2007	N/A

6.6 Directors' Expression on Accountants' Non-standard Audit Report

Applicable Not Applicable

6.7 Board of Directors' Proposal on Profit Distribution or Conversion of Capital Reserve into Share Capital

The Company plans to draw RMB 78.8043 million, a 10% of the Parent Company's profits in 2007 as statutory reserves; RMB 78.8043 million, a 10% as other reserves. Then based on a total capital stock of 655.2 million shares on December 31st, 2007, every 10 shares will be distributed 7 yuan cash dividends (pre-tax), which will add up to RMB 458.64 million and account for 52.15% of the total profits for shareholders to distribute. As for the profits made since 2008, the Company will add them to the accumulated undistributed profits, RMB 1088.5293 million for all the shareholders to distribute after drawing statutory reserves and other reserves in accordance with the *Company Constitution*.

The aforesaid proposal on profit distribution is yet to be submitted to the 2007 annual shareholders' meeting for approval.

In the report period, the Company made profits, but didn't lay down any proposal on cash profit distribution.

Applicable Not Applicable

§7 Significant Events

7.1 Acquisitions of Assets

√ Applicable □ Not Applicable

Assets purchased	Opposing trader	Date of purchase	Purchase price	Whether or not connected transaction	Assets involved all transferred or not
M/V Fu Han Kou	International Market	Jan. 2007	USD2.5Million	No	Yes

7.2 Assets Sold

√ Applicable □ Not Applicable

Monetary Unit: RMB Yuan

Assets sold	Opposing trader	Date of sale	Sale price	Whether or not connected transaction	Assets involved all transferred or not	Liabilities involved all transferred or not
MV Qing Jiang	Guangdong Shunfeng Shipping Co., Ltd.	Sept. 2007	42,000,000	No	Yes	Yes
MV Ping Jiang	Guangdong Shunfeng Shipping Co., Ltd.	Oct. 2007	36,500,000	No	Yes	Yes
MV Hun Jiang	Guangdong Shunfeng Shipping Co., Ltd.	Oct. 2007	50,500,000	No	Yes	Yes

7.3 Significant Guarantees

√ Applicable □ Not Applicable

The details of guarantees provided by the Company (excluding the holding subsidiaries)						
Provided to	Date of occurrence (date of signing agreement)	Guarantee amount	Type	Period	Whether performed or not	Whether provided for the related parties or not
Pasir Gudang Sime Darby shipyard, Malaysia	Sept. 2007	USD1.065 Million	Performance Bond	Till the complete of sea transport	No	No
The total guarantee amount throughout the report period			USD1.065 Million			
The balance of guarantee amount at the end of the report period			USD1.065Million			
Guarantees provided to holding subsidiaries						
The total guarantee amount provided to holding subsidiaries through the report period			Nil			
The balance of guarantee amount provided to holding subsidiaries at the end of the report period			Nil			
The details of total guarantee amount of the Company (including the holding subsidiary)						

Total guarantee amount	USD1.065 Million
The proportion of the guarantee amount in the Company's net assets	0.23%
Guarantees illicitly provided by the Company	
The guarantee amount provided for the holding shareholders or other related parties who hold less than 50% of the company's shares	No
The amount of the debt guarantee directly or indirectly provided for parties whose debt-to-asset ratio exceed 70%	No
Total guaranteed amount exceeds 50% of the net assets or not	No
The total amount of the guarantee violating regulations	No

Note: on Dec. 22nd, 2007, at the nineteenth meeting, the Third Board of Directors approved that Tianjin COSCO Shipping Co., Ltd (hereafter 'COSCOL Tianjin', a subsidiary of the Company, provided Performance Bond amounting to USD 447,500 for MV Tai An Kou's transport contract, which came into effect as of the date of signing the guarantee and would expire upon completion of the aforesaid contract. What the contract covers is just normal business of the Company's semi-submersible vessels. Moreover COSCOL Tianjin was taking measures to ensure the duly performance of the contract. In view of the above, the risk of contract breach was small. Hence in February 2008, COSCOL Tianjin signed the performance bond agreement with the bank concerned.

7.4 Important Connected Transactions

7.4.1 Connected Transactions Related to Regular Operations

√ Applicable □ Not Applicable

Monetary Unit: RMB Yuan

Related companies	Items of transaction	Sum of 2007	Percentage of the same kind	Pricing policy
Guangzhou Ocean Shipping Company	Crew hire (in)	290,890,510.18	95.59%	Referred to market price
Guangzhou Ocean Shipping Company	Crew hire (out)	46,218,049.18	44.87%	Referred to market price
Guangzhou Ocean Shipping Company	Charter Hire	171,487,482.60	53.89%	Referred to market price
Subsidiary of COSCOGZ	Network maintenance	238,405.32	92.26%	Referred to market price
Subsidiary of COSCO Group	Software management cost	1,331,484.62	100.00%	Referred to market price
Subsidiary of COSCO Group	Fuel oil purchasing	39,239,937.28	3.38%	Referred to market price
Subsidiary of COSCOGZ	Repair service	1,284,010.00	1.35%	Referred to market price
Subsidiary of COSCO Group	Repair service	49,956,142.65	52.62%	Referred to market price
Subsidiary of COSCOGZ	Stores supply	5,290,545.60	5.43%	Referred to market price
Subsidiary of COSCO Group	Ship repair	6,809,508.78	6.59%	Referred to market price
Subsidiary of COSCO Group	Ship insurance	16,332,690.01	20.24%	Referred to market price
Subsidiary of COSCO Group	Marketing commission	11,005,189.45	45.78%	Referred to market price

Subsidiary of COSCO Group	Marketing agents, collection of freight	814,555,433.58	15.55%	Via paying & collecting agents
Subsidiary of COSCO Group	Port charges	384,157,664.77	49.78%	Via paying & collecting agents
Subsidiary of COSCO Group	Ship funds of disbursements	21,210,907.69	15.47%	Via paying & collecting agents
Subsidiary of COSCO Group	Agency fee	9,037,516.90	29.26%	Via paying & collecting agents
Subsidiary of COSCO Group	Crew hire (out)	18,047,542.36	17.52%	Referred to market price

In the report period, RMB 64,265,591.54 arose from connected transaction in which the Listed Company to market products or provide services to its holding shareholders and its subsidiaries.

7.4.2 The Related Creditors' Right and Liability

Applicable Not Applicable

7.4.3 The event of capital being occupied and the development of settlement

Applicable Not Applicable

7.5 Financing Entrustment

Applicable Not Applicable

7.6 Implementation of Undertaken Events

7.6.1 The Undertaken Events and Their Implementation

Applicable Not Applicable

In the split share reform of the Company, the controlling shareholder COSCOGZ undertook the following events so as to protect the interests of the shareholders with circulating shares:

Events Undertaken	Implementation
<p>(1) The non-circulating shares held by COSCOGZ will not come into the market for exchange or transfer within 12 months since the implementation date of the Company's split share reform (Dec. 9th, 2005); after that, they will not be listed for exchange or transfer in any stock exchange within another 12 months; then within 12 months after the preceding period, shares sold in any stock exchange should be limited within 5% of the total share capital of the Company and the price cannot be lower than 8.63 Yuan per share (Ex-right and ex-dividend should be settled accordingly when the Company's share capital or shareholders' equity change due to profit distribution, conversion of capital reserve into share capital, increase in number of listed shares or allotment of shares.</p>	<p>In progress</p>
<p>(2) At the annual shareholders' meetings from 2005 to 2007, COSCOGZ will propose and approve of the Company for cash dividends which should not be less than 50% of the total profit, namely, the total cash dividends within the three years from 2005 to 2007 should take no less than 50% of the total accumulated profit for shareholders to share in these 3 years.</p>	<p>In progress</p>
<p>(3) In order to fully activate the management and facilitate the steady development, COSCOGZ will support the Company to work out and implement the Shareholding Encouragement System for Management after the completion of split share reform on condition that the relative national laws and regulations are obeyed.</p>	<p>In progress</p>

7.6.2 The Events Undertaken by the Shareholders Owning over 5% of the Company's Shares During or Up to the Report Period

During the report period, the implementation of the events undertaken by the holding shareholder possessing 50.13% of the company's shares up to the report period is as follows:

(1) During the report period, the holding shareholder COSCO GZ and the de facto controller COSCO Group did not invest or join any venture or business that may lead to horizontal competition with the Company.

(2) The principles of market and fair trade were carried out when connected transactions occurred between the Company and the holding shareholder COSCO GZ and the de facto controller COSCO Group who did not take advantage of their positions as majority shareholders by imposing loss of interests upon the Company and other shareholders.

7.7 Material Lawsuits and Arbitrations

Applicable Not Applicable

§8 Report of the Supervisory Committee

According to the opinion of the supervisory committee, the Company has been operating by the law and there is no problem in its financial status, use of raised funds, prices of acquiring and selling assets, and transactions connected.

§9 Financial Report

9.1 Audit Opinion

Financial Report	<input type="checkbox"/> Not Audited <input checked="" type="checkbox"/> Audited
Audit Opinion	<input checked="" type="checkbox"/> Standard Unreserved <input type="checkbox"/> None Standard

Audit Report

YCPA File No.: (2008) 12576
GZ ACPA Reg. No.: 020200803011281

To all the Shareholders of COSCO Shipping Co., Ltd.:

We have audited the accompanying financial report of COSCO Shipping Co., Ltd. (hereafter the 'Company') which comprises the consolidated and Parent Company's balance sheet ended Dec. 31st, 2007, the 2007 statement of profit and profit distribution, the 2007 statement of cash flows, the 2007 statement of changes in shareholders' equity and the accompanying notes to the financial statements of the Company and its consolidated subsidiaries.

I The Management's Responsibility for the Financial Report

The management of the Company is responsible for the preparation of the financial report in accordance with the Accounting Standards for Enterprises and *Enterprise Accounting System*. This includes the responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

II Responsibility of CPAs

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Auditing Standards for CPAs of China. Those Standards require that we plan and perform the audit to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit included the implementation of auditing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The selection of auditing procedures depends upon the professional judgment of CPAs, including the risk assessment of serious misstatements resulting from fraud and error. While making the risk assessment, we took into account internal controls related to the preparation of financial statements in order to adopt suitable auditing procedures, but not to air our opinions on the effectiveness of internal controls. The audit also included assessing the suitability of the management in selecting accounting policies and the rationality in making accounting estimates, as well as evaluating the overall financial report.

We believe that the audit evidence we have received is sufficient and appropriate, and lays foundations for expressing audit opinions.

III Audit Opinion

In our opinion, the financial report of the Company is prepared in accordance with the Accounting

Standards for Enterprises and the regulations in *Enterprise Accounting System*; and in all material respects the report presents fairly the Company's financial status on Dec. 31st, 2007, the operation results and the cash flows of 2007.

Shu Lun Pan Yangcheng
Certified Public Accountants Co., Ltd.

Chinese Certified Public Accountants:

Liu Peilian

Chinese Certified Public Accountants:

Huang Shaoying

Guangzhou China

March 19th, 2008

9.2 Disclosure of Consolidated and Parent Company's Balance Sheet, Profit Distribution and Annual Cash Flows

Consolidated Balance Sheet

Company: COSCO Shipping Co., Ltd.

Monetary Unit: RMB Yuan

Assets	Consolidated	
	Dec. 31, 2007	Dec. 31, 2006
Current assets:		
Monetary funds	920,964,609.03	791,057,546.32
Tradable financial assets		
Notes receivable		13,388,575.04
Accounts receivable	183,227,738.81	66,158,369.58
Advances to suppliers	183,481,384.69	273,230,923.13
Interest receivable		
Dividends receivable		
Other receivables	33,857,063.40	19,943,565.04
Inventories	135,027,172.99	125,645,947.67
Non-current assets due within one year		
Other current assets		
Subtotal of current assets	1,456,557,968.92	1,289,424,926.78
Non-current assets		
Financial assets available for sale		
Held-to-maturity investment		
Long-term accounts receivable		
Long-term equity investment	41,200,000.00	41,200,000.00
Investment real estate		
Fixed assets:	2,575,687,292.94	2,755,499,890.32
Construction in progress	927,510,081.26	99,791,968.00
Engineering materials		
Disposal of fixed assets		
Intangible assets	1,426,125.82	1,075,510.66
Development expenditures		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	1,362,975.11	657,462.57
Other non-current assets		
Subtotal non-current assets	3,547,186,475.13	2,898,224,831.55
Total assets	5,003,744,444.05	4,187,649,758.33

Person in charge of the Company: Xu Lirong Chief financial officer: Lin Jingwei Manager of the accounting department: Huang Xiaohui

Consolidated Balance Sheet (Cont.)

Company: COSCO Shipping Co., Ltd.

Monetary Unit: RMB Yuan

Liabilities and shareholders' equity	Consolidated	
	Dec. 31, 2007	Dec. 31, 2006
Current liabilities:		
Short-term loans		
Transaction financial liabilities		
Notes payable		
Accounts payable	592,493,349.31	499,637,540.70
Advances from customers	97,066,368.80	250,029,265.08
Employee pay payable	100,490,548.78	86,068,696.50
Taxes deliverable	150,172,987.15	99,719,490.36
Interest payable	2,915,040.29	
Dividends payable		
Other payables	49,610,969.89	19,917,809.81
Non-current liabilities due within one year	82,399,583.25	87,903,771.78
Other current liabilities		
Subtotal of current liabilities	1,075,148,847.47	1,043,276,574.23
Non-current liabilities		
Long-term loans	362,311,284.76	488,061,202.89
Bonds payable		
Long-term accounts payable		
Special accounts payable		
Estimated liabilities		
Deferred income tax liabilities	157,386,417.68	39,751,802.98
Other non-current liabilities		
Subtotal of non-current liabilities	519,697,702.44	527,813,005.87
Total liabilities	1,594,846,549.91	1,571,089,580.10
Shareholders' equity:		
Paid-up capital (or share capital)	655,200,000.00	655,200,000.00
Capital reserves	613,816,329.89	613,816,329.89
Less: Treasury stock		
Surplus public reserve	563,100,679.83	368,754,576.43
Undistributed profit	1,547,169,310.22	929,712,625.61
Conversion variation of foreign currency statements	-41,168,589.57	-4,460,880.56
Subtotal of owner's equity of parent company	3,338,117,730.37	2,563,022,651.37
Minority shareholders' equity	70,780,163.77	53,537,526.86
Total shareholders' equity	3,408,897,894.14	2,616,560,178.23
Total liabilities and shareholders' equity	5,003,744,444.05	4,187,649,758.33

Person in charge of the Company: Xu Lirong Chief financial officer: Lin Jingwei Manager of the accounting department: Huang Xiaohui

Balance Sheet of Parent Company

Company: COSCO Shipping Co., Ltd.

Monetary Unit: RMB Yuan

Assets	Parent Company	
	Dec. 31, 2007	Dec. 31, 2006
Current assets:		
Monetary funds	580,113,378.75	648,719,167.92
Tradable financial assets		
Notes receivable		13,388,575.04
Accounts receivable	97,768,017.03	40,658,626.15
Advances to suppliers	109,227,552.24	235,328,924.65
Interest receivable		
Dividends receivable	70,000,000.00	
Other receivables	171,593,852.83	250,940,833.94
Inventories	85,044,371.51	114,370,921.60
Non-current assets due within one year		
Other current assets		
Subtotal of current assets	1,113,747,172.36	1,303,407,049.30
Non-current assets		
Financial assets available for sale		
Held-to-maturity investment		
Long-term accounts receivable		
Long-term equity investment	835,424,298.82	186,439,604.35
Investment real estate		
Fixed assets:	1,280,396,517.29	1,859,542,671.19
Construction in progress	551,433,600.00	1,090,000.00
Engineering materials		
Disposal of fixed assets		
Intangible assets	908,333.33	
Development expenditures		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	1,320,881.70	657,462.57
Other non-current assets		
Subtotal of non-current assets	2,669,483,631.14	2,047,729,738.11
Total assets	3,783,230,803.50	3,351,136,787.41

Person in charge of the Company: Xu Lirong Chief financial officer: Lin Jingwei Manager of the accounting department: Huang Xiaohui

Balance Sheet of Parent Company (Cont.)

Company: COSCO Shipping Co., Ltd.

Monetary Unit: RMB Yuan

Liabilities and shareholders' equity	Parent Company	
	Dec. 31, 2007	Dec. 31, 2006
Current liabilities:		
Short-term loans		
Tradable financial liabilities		
Notes payable		
Accounts payable	420,823,383.32	449,361,342.68
Advances from customers	49,063,755.07	218,969,881.98
Employee pay payable	99,829,490.68	85,654,916.07
Taxes deliverable	147,085,726.39	98,302,576.82
Interest payable		
Dividends payable		
Other payables	78,274,408.81	18,374,585.54
Non-current liabilities due within one year		
Other current liabilities		
Subtotal of current liabilities	795,076,764.27	870,663,303.09
Non-current liabilities		
Long-term loans		80,105,600.00
Bonds payable		
Long-term accounts payable		
Special accounts payable		
Estimated liabilities		
Deferred income tax liabilities	61,822,793.60	
Other non-current liabilities		
Subtotal of non-current liabilities	61,822,793.60	80,105,600.00
Total liabilities	856,899,557.87	950,768,903.09
Shareholders' equity:		
Paid-up capital (or share capital)	655,200,000.00	655,200,000.00
Capital reserves	613,816,329.89	613,816,329.89
Less: Treasury stock		
Surplus reserves	523,590,983.15	365,982,310.89
Undistributed profit	1,133,723,932.59	765,369,243.54
Conversion variation of foreign currency statements		
Subtotal of owner's equity of parent company	2,926,331,245.63	2,400,367,884.32
Minority shareholders' equity		
Total shareholders' equity	2,926,331,245.63	2,400,367,884.32
Total liabilities and shareholders' equity	3,783,230,803.50	3,351,136,787.41

Person in charge of the Company: Xu Lirong Chief financial officer: Lin Jingwei Manager of the accounting department: Huang Xiaohui

Consolidated Profit Statement of and Profit Distribution

Company: COSCO Shipping Co., Ltd.

Monetary Unit: RMB Yuan

Items	Consolidated	
	Jan. - Dec. 2007	Jan. - Dec. 2006
1. Operating revenue	5,325,194,827.63	3,850,755,461.30
Less: Operating cost	3,621,504,969.81	2,770,738,988.24
Taxes and surcharges of operation	79,819,145.88	61,896,077.63
Marketing cost	24,038,524.68	15,547,329.43
Administrative expenses	202,111,548.58	185,771,779.39
Financial expenses	45,410,201.30	33,651,002.49
Loss from asset devaluation	7,156,338.43	-551,195.48
Plus: Gains on changes in fair value		
Investment revenue	11,629,309.17	136,700.09
Including: investment income of joint-venture and partnership		
2. Operating profit	1,356,783,408.12	783,838,179.69
Plus: Non-operating income	114,883,846.90	58,580,153.08
Less: non-operating expenses	2,017,166.72	527,773.94
Including: Disposal loss on non-current assets		
3. Gross profit	1,469,650,088.30	841,890,558.83
Less: Income tax expenses	378,524,663.38	249,121,522.84
4. Net profit	1,091,125,424.92	592,769,035.99
(1) Net profit attributed to parent company owners	1,073,882,788.01	582,714,342.29
(2) Minority shareholders' equity	17,242,636.91	10,054,693.70
5. Earnings per share		
(1) Basic earnings per share	1.64	0.89
(2) Diluted earnings per share	1.64	0.89

Person in charge of the Company: Xu Lirong Chief financial officer: Lin Jingwei Manager of the accounting department: Huang Xiaohui

Profit and Profit Distribution Statement of Parent Company

Company: COSCO Shipping Co., Ltd.

Monetary Unit: RMB Yuan

Items	Parent Company	
	Jan. - Dec. 2007	Jan. - Dec. 2006
1. Operating revenue	3,714,318,911.54	3,380,427,248.12
Less: Operating cost	2,510,195,366.70	2,546,066,989.93
Taxes and surcharges of operation	69,045,617.55	59,882,883.46
Marketing cost	9,865,915.60	11,730,529.06
Administrative expenses	183,478,158.72	171,110,096.47
Financial expenses	24,451,029.41	1,684,630.87
Loss from asset devaluation	3,619,731.37	-2,047,238.43
Plus: Gains on changes in fair value		
Investment revenue	81,629,309.17	136,700.09
Including: investment income of joint-venture and partnership		
2. Operating profit	995,292,401.36	592,136,056.85
Plus: Non-operating income	114,810,690.10	58,580,153.08
Less: non-operating expenses	2,017,166.72	527,773.94
Including: disposal loss on non-current assets		
3. Total profit	1,108,085,924.74	650,188,435.99
Less: Income tax expenses	320,042,563.43	214,753,442.34
4. Net profit	788,043,361.31	435,434,993.65
(1) Net profit attributed to parent company owners	788,043,361.31	435,434,993.65
(2) Minority shareholders' equity		
5. Earnings per share		
(1) Basic earnings per share	1.20	0.66
(2) Diluted earnings per share	1.20	0.66

Person in charge of the Company: Xu Lirong Chief financial officer: Lin Jingwei Manager of the accounting department: Huang Xiaohui

Consolidated Statement of Cash Flows

Company: COSCO Shipping Co., Ltd.

Monetary Unit: RMB Yuan

Items	Consolidated	
	Jan. - Dec. 2007	Jan. - Dec.
1. Cash flows from operating activities:		
Cash received from selling commodities and providing labor services	5,066,940,563.80	3,837,465,657.5
Refunded tax received	-	-
Other cash received concerning operating activities	32,501,186.59	19,121,157.22
Subtotal of cash inflow	5,099,441,750.39	3,856,586,814.7
Cash paid for purchasing commodities and receiving labor service	3,121,161,635.65	2,631,884,511.9
Cash paid to / for employees	337,947,665.24	120,645,469.40
Various taxes paid	302,693,824.06	346,935,261.19
Other cash paid concerning operating activities	32,916,791.56	22,103,692.29
Subtotal of cash outflow	3,794,719,916.51	3,121,568,934.7
Net cash flow from operating activities	1,304,721,833.88	735,017,879.99
2. Cash flows from investment activities		
Cash received from disinvestment	-	-
Cash received from investment income	11,629,309.17	136,700.09
Net cash received from disposal of fixed, intangible and other long-term	126,583,574.72	87,596,269.67
Net cash received from disposing subsidiaries and other business units	-	-
Other cash received concerning investment activities	-	-
Subtotal of cash inflow	138,212,883.89	87,732,969.76
Cash paid for purchasing fixed, intangible and other long-term assets	867,228,778.17	312,622,743.07
Cash paid for investment	-	-
Net cash paid for acquisition of subsidiaries and other business units	-	-
Other cash paid concerning investment activities	-	-
Subtotal of cash outflow	867,228,778.17	312,622,743.07
Net cash flows from investment activities	-729,015,894.28	-224,889,773.31
3. Cash flows from financing activities:		
Cash received from absorbing investment	-	-
Cash received from procuring loan	93,849,500.80	204,939,200.00
Other cash received concerning financing activities	-	-
Subtotal of cash inflow	93,849,500.80	204,939,200.00
Cash paid for settling debts	189,359,049.43	288,183,372.70
Cash paid for distributing dividend, profit or repaying interest	-	167,513,630.23
Other cash paid concerning financing activities	-	-
Subtotal of cash outflow	480,950,089.74	455,697,002.93
Net cash flows from financing activities	-387,100,588.94	-250,757,802.93
4. Influence of fluctuation in exchange rate on cash	-58,698,287.95	-18,990,698.31
5. Net increase of cash and cash equivalents	129,907,062.71	240,379,605.44
Beginning balance of cash and cash equivalents	791,057,546.32	550,677,940.88
Closing balance of cash and cash equivalents	920,964,609.03	791,057,546.32

Person in charge of the Company: Xu Lirong Chief financial officer: Lin Jingwei Manager of the accounting department: Huang Xiaohui

Cash Flow Statement of Parent Company

Company: COSCO Shipping Co., Ltd.

Monetary Unit: RMB Yuan

Items	Parent Company	
	Jan. - Dec. 2007	Jan. - Dec. 2006
1. Cash flow from operating activities		
Cash received from selling commodities and providing labor services	3,502,708,271.68	3,363,214,521.88
Refunded tax received	-	
Other cash received concerning operating activities	296,192,749.59	15,901,754.37
Subtotal of cash inflow	3,798,901,021.27	3,379,116,276.25
Cash paid for purchasing commodities and receiving labor service	2,110,056,788.33	2,454,529,948.05
Cash paid to / for employees	329,106,547.82	111,812,937.30
Various taxes paid	289,849,683.19	344,837,274.70
Other cash paid concerning operating activities	182,004,156.18	248,504,339.16
Subtotal of cash outflow	2,911,017,175.52	3,159,684,499.21
Net cash flow from operating activities	887,883,845.75	219,431,777.04
2. Cash flows from investment activities		
Cash received from disinvestment	-	
Cash received from investment income	11,629,309.17	136,700.09
Cash received from disposal of fixed, intangible and other long-term assets	363,192,390.07	93,215,996.74
Net cash received from disposing subsidiaries and other business units	-	-
Other cash received concerning investment activities	-	
Subtotal of cash inflow	374,821,699.24	93,352,696.83
Cash paid for purchasing fixed, intangible and other long-term assets	566,348,125.41	3,920,358.44
Cash paid for investment	378,035,000.00	78,962,525.00
Net cash paid for acquisition of subsidiaries and other business units	-	
Other cash paid concerning investment activities	-	
Subtotal of cash outflow	944,383,125.41	82,882,883.44
Net cash flows from investment activities	-569,561,426.17	10,469,813.39
3. Cash flows from financing activities:		
Cash received by absorbing investment	-	
Cash received from procuring loan	-	80,000,000.00
Other cash received concerning financing activities	-	
Subtotal of cash inflow	-	80,000,000.00
Cash paid for settling debts	80,000,000.00	
Cash paid for distributing dividend, profit or repaying interest	264,811,292.71	131,395,200.00
Other cash paid concerning financing activities	-	
Subtotal of cash outflow	344,811,292.71	131,395,200.00
Net cash flows from financing activities	-344,811,292.71	-51,395,200.00
4. Influence of fluctuation in exchange rate on cash	-42,116,916.04	-14,285,987.53
5. Net increase of cash and cash equivalents	-68,605,789.17	164,220,402.90
Beginning balance of cash and cash equivalents	648,719,167.92	484,498,765.02
Closing balance of cash and cash equivalents	580,113,378.75	648,719,167.92

Person in charge of the Company: Xu Lirong Chief financial officer: Lin Jingwei Manager of the accounting department: Huang Xiaohui

Consolidated Statement of Changes in Owner's Equity

Company: COSCO Shipping Co., Ltd.

Monetary Unit: RMB Yuan

Items	Amount of the year						
	Owner's equity attributed to parent company					Minority shareholders' equity	Total owner's equity
	Paid-up Capital (or share capital)	Capital reserves	Surplus reserves	Undistributed profit	Conversion variation in foreign currency statement		
1. Closing balance of last year	655,200,000.00	613,816,329.89	411,147,152.43	926,414,390.02	-4,460,880.56	53,537,526.86	2,655,654,518.64
Plus: Change of accounting policy			-42,392,576.00	3,298,235.59			-39,094,340.41
Correction for error in previous period							
2. Beginning balance of this year	655,200,000.00	613,816,329.89	368,754,576.43	929,712,625.61	-4,460,880.56	53,537,526.86	2,616,560,178.23
3. Increased /Decreased amount of current year ("-" for decrease)			194,346,103.40	617,456,684.61	-36,707,709.01	17,242,636.91	792,337,715.91
1) Net profit				1,073,882,788.01		17,242,636.91	1,091,125,424.92
2) Gain & loss directly recorded into owner's equity					-36,707,709.01		-36,707,709.01
(1). Net change of fair value of salable financial assets							
(2). Impact of change of other owner's equity of invested unit under equity method							
(3). Impact on income tax related to owner's equity							
(4). Others					-36,707,709.01		-36,707,709.01
Subtotal of 1) and 2)				1,073,882,788.01	-36,707,709.01	17,242,636.91	1,054,417,715.91
3). Capital invested and decreased by the owner							
(1). Capital invested by the owner							
(2). Fund paid in shares recorded into the owner's equity							
(3). Others							
4). Profit distribution			194,346,103.40	-456,426,103.40			-262,080,000.00
(1) Appropriated surplus reserves			194,346,103.40	-194,346,103.40			
(2) Appropriated							

general risk reserve							
(3). Distribution to owners (or shareholders)				-262,080,000.00			-262,080,000.00
(4). Others							
5) Internal transfer of owner's equity							
(1). Share capital transferred from capital reserve							
(2). Share capital transferred from surplus reserve							
(3). Loss covered by surplus reserve							
(4). Others							
4. Closing balance of current year	655,200,000.00	613,816,329.89	563,100,679.83	1,547,169,310.22	-41,168,589.57	70,780,163.77	3,408,897,894.14

Person in charge of the Company: Xu Lirong Chief financial officer: Lin Jingwei Manager of the accounting department: Huang Xiaohui

Parent Company Statement of Changes in Owner's Equity

Company: COSCO Shipping Co., Ltd.

Monetary Unit: RMB Yuan

Items	Amount of the year						
	Owner's equity attributed to parent company					Minority shareholders' equity	Total owner's equity
	Paid-up Capital (or share capital)	Capital reserves	Surplus reserves	Undistributed profit	Conversion variation in foreign currency statement		
1. Closing balance of last year	655,200,000.00	613,816,329.89	408,374,886.89	934,939,547.53			2,612,330,764.31
Plus: Change of accounting policy			-42,392,576.00	-169,570,303.99			-211,962,879.99
Correction for error in previous period							
2. Beginning balance of this year	655,200,000.00	613,816,329.89	365,982,310.89	765,369,243.54			2,400,367,884.32
3. Increased /Decreased amount of current year ("-" for decrease)			157,608,672.26	368,354,689.05			525,963,361.31
1) Net profit				788,043,361.31			788,043,361.31
2) Gain & loss directly recorded into owner's equity							
(1). Net change of fair value of salable financial assets							
(2). Impact of change of other owner's equity of investment unit under equity method							
(3). Impact on income tax related to owner's equity							
(4). Others							
Subtotal of 1) and 2)				788,043,361.31			788,043,361.31
3). Capital invested and decreased by the owner							
(1). Capital invested by the owner							
(2). Fund paid in shares recorded into the owner's equity							
(3). Others							
4). Profit distribution			157,608,672.26	-419,688,672.26			-262,080,000.00
(1) Appropriated surplus reserves			157,608,672.26	-157,608,672.26			
(2) Appropriated general risk reserve							
(3). Distribution to owners (or shareholders)				-262,080,000.00			-262,080,000.00

(4). Others							
5) Internal transfer of owner's equity							
(1). Share capital transferred from capital reserve							
(2). Share capital transferred from surplus reserve							
(3). Loss covered by surplus reserve							
(4). Others							
4. Closing balance of current year	655,200,000.00	613,816,329.89	523,590,983.15	1,133,723,932.59			2,926,331,245.63

Person in charge of the Company: Xu Lirong Chief financial officer: Lin Jingwei Manager of the accounting department: Huang Xiaohui

9.3 Details Provided for Changes in Accounting Policies, Accounting Estimates and Accounting Methods

1. Changes of Accounting Policies

The Company began to adopt *Accounting Standards for Enterprises* as of January 1st, 2007. Hereafter the changes of accounting policies were respectively handled in the following methods:

(1) Transactions and Events in Which Retrospective Adjustment Method was Adopted

According to the regulations of *Accounting Standards for Enterprises No. 38 - Initial Implementation of Accounting Standards for Enterprises, No. 7 Guideline on Contents and Format for Information Disclosure of Companies That Make Public Offering of Securities ---Compilation and Disclosure of Comparative Financial Accounting Information during the Transitional Period of Old and New Accounting Standards, Interpretation No. 1 to Accounting Standards for Enterprises*, the Company adjusted the beginning amount of the period 2007 in the discrepancy adjustment scheme of shareholders' equity and in the balance sheets of the quarterly report and semi-annual report 2007 as follows:

As of January 1st, 2007, the Company started to adopt the approach of disclosing the liability on the balance sheet instead of indicating taxes payable in income tax accounting, hence confirming the year beginning assets of the deferred income tax RMB 657,462.57, liabilities of the deferred income tax RMB 39,751,802.98; decreasing surplus reserve RMB 42,392,576.00 and increasing undistributed profit RMB 3,298,235.59 accordingly.

(2) Transactions and Events in Which Prospective Application Method was Adopted

Since January 1st, 2007, the Company began to implement *Accounting Standards for Enterprises No. 14 - Revenue*, thus revenue from vessel shipping services was recorded in terms of percentage-on-completion instead of as per finished voyage.

On December 31st, 2007, the Company recognized RMB 476,616,632.60 as its revenue from vessel shipping in the unfinished voyages, RMB 355,399,352.43 as the shipping cost and RMB 121,217,280.17 as the profit from unfinished voyages.

2. Changes of Accounting Estimates

Beginning on January 1st, 2007, the Company started to carry out *Accounting Standards for Enterprises* in an all-round way.

According to the *Accounting Standards for Enterprises No. 4 - Fixed Assets*, the Company recalculated the accounting estimate for the net salvage value of vessels as per ship demolishing price of second-hand vessels in the shipping market by light ship instead of previously as per 5% of the vessels' original value.

Due to this change of accounting estimate, a depreciation of RMB 131,811,487.18 was decreased from the vessels of the Company in 2007 while a net profit of RMB 90,928,653.21 was increased.

3. Details on Choice of Principal Accounting Policies and Explanations for Important Accounting Estimates

At the eleventh meeting of the Third Board of Directors on March 17th, 2007, it was resolved to revise the accounting policies of the Company and change the accounting estimates for the salvage value of vessels according to the new *Accounting Standards for Enterprises*.

The accounting policies and the accounting estimates were revised in the Company according to the new *Accounting Standards for Enterprises*. The reasons for amending the principal accounting policies and the important accounting estimates are as follows:

(1) Regarding the Accounting of Revenue from Vessel Shipping in the Percentage-on-Completion Method

In respect of the recognition of revenue from providing labor services, the following related provision in the new *Accounting Standards for Enterprises* can be referred to:

It is stipulated in Article 10 of *Accounting Standards for Enterprises No. 14 – Revenue*, ‘If an enterprise can, on the date of the balance sheet, reliably estimate the outcome of a transaction concerning the labor services it provides, it shall recognize the revenue from providing services employing the percentage-on-completion method.’

Moreover, on November 6, 2006, the Ministry of Finance (MOF) promulgated that the *Accounting Standards for Enterprises – Application Guide* (hereafter the ‘*Guide*’) should be printed and distributed. According to the announcement, ‘The *Guide* is required to be applied to listed companies as of January 1st, 2007. The MOF also encourages other enterprises to subject themselves to the standards. The enterprises implementing the *Guide* shall no longer implement the current standards, *Accounting System for Business Enterprises*, *Accounting System for Financial Institutions*, various kinds of special accounting methods and answers to questions.’

On January 1st, 2007, the Company began to roundly perform the new *Accounting Standards for Enterprises* and no longer execute *Accounting Methods for Shipping Enterprises*. Hence the Company changed the accounting policies of shipping revenue in accordance with the provisions of *Accounting Standards for Enterprises No. 14 – Revenue*. The accounting policies in the recognition of revenue from providing shipping labor services was changed into:

When shipping labor services are completed and the cost can be reasonably estimated, the recognition of revenue from finished voyages corresponds with the voyage ending time, the symbol of recognition. Voyages that do not satisfy the conditions of finished voyages are categorized into unfinished voyages in which the revenue is calculated in the percentage-on-completion method; and the revenue of unfinished voyages is identified in accordance with the relevant provisions of Article 10 and Article 14 in Chapter 3 of *Accounting Standards for Enterprises No. 14 – Revenue*.

(2) Concerning Changes in Accounting Estimates of Net Salvage Value of Vessels

Pursuant to Article 15 of *Accounting Standards for Enterprises No. 4 – Fixed Assets*, ‘An enterprise shall, in accordance with the nature and use of a fixed asset, reasonably ascertain its useful life and expected net salvage value. Once an enterprise decides the useful life or expected net salvage value of the fixed asset, it shall not change it randomly except that the provisions of Article 19 of these *Standards* are met.’

In light of Article 19 of *Accounting Standards for Enterprises No. 4 – Fixed Assets*, ‘An enterprise shall, at least at the end of each year, have a check on the useful life, expected net salvage value, and the depreciation method of the fixed assets. If there is any difference between the expected useful life and the previously estimated useful life of a fixed asset, the expected useful life of the fixed asset shall be adjusted. If there is any difference between the amount of expected net salvage value and the previously estimated amount of the net salvage value, the expected net salvage value shall be adjusted.’

According to *Accounting Standards for Enterprises No. 4 - Fixed Assets*, the Company has rechecked the net salvage value of the vessels. As a vessel, when discarded, can be sold at ship demolishing price of second-hand vessels in the shipping market by light ship, while the ship demolishing price has close relation and furthermore fluctuates with the steel market price, it is more reasonable to calculate the expected net salvage value with ship demolishing price of second-hand vessels in the shipping market by light ship. Therefore, the accounting estimates of the Company on expected net salvage value of vessels will be changed into: The expected net salvage value of vessels is calculated in terms of ship demolishing price of second-hand vessels in the shipping market by light ship.

4. Adjustment to the Related Items and Amounts in the 2007 Beginning Balance Sheet Disclosed in Previous Periods

According to the recently issued *Accounting Law of the People's Republic of China*, *Accounting Standards for Enterprises* and *Cai Kuai [2006] No. 3* of the MOF, the Company launched an overall implementation of the new *Accounting Standards for Enterprises* since 2007. Pursuant to the requirements of *Accounting Standards for Enterprises No. 38 - Initial Implementation of Accounting Standards for Enterprises*, the Company, as per the balance sheet items and amounts dated December 31, 2006, prepared the balance sheet of the initial implementation date and disclosed it in the periodical reports in the previous periods of 2007.

On November 14, 2007, the MOF issued *Interpretation No. 1 to Accounting Standards for Enterprises* (hereinafter referred to as ‘*Circular No. 1*’), requiring that every enterprise, when preparing its first annual report after the implementation of the new *Standards*, should recheck the book balances of the relevant assets, liabilities, owners' equities on the initial adoption date and conduct corresponding adjustments after having them audited by certified public accountants. According to Article 7(2) of *Circular No. 1*, on the initial implementation date, the Company should make a retrospective adjustment to the long-term equity investment it held in any subsidiary before the initial implementation date whilst such subsidiary shall be regarded as adopting cost accounting at the very beginning. Therefore, on the initial implementation date, the Company made a retrospective adjustment to the

long-term equity investment it held in NYKCOS Car Carrier Co., Ltd. and COSCOL (HK) Investment & Development Co., Ltd. before the initial implementation date whilst NYKCOS and COSCOL HK are regarded as adopting cost accounting at the very beginning. The affected items and amounts disclosed in the 2007 beginning balance sheet are adjusted as indicated in the following table:

No.	Adjusted Item	Original Amount	Present Amount
1	Surplus reserve	372,052,812.02	368,754,576.43
2	Undistributed profit	926,414,390.02	929,712,625.61

9.4 No Correction of Accounting Error in this Report Period

9.5 Details Provided for Changes in the Scope of Consolidation Compared with the Previous Annual Report

On December 18, 2006, the Company and its wholly-owned subsidiary, COSCOL (HK) Investment & Development Co., Ltd. jointly established a Sino-foreign joint venture, Tianjin COSCOL Shipping Co., Ltd., which mainly engages in international marine shipping, international trade, communications equipment maintenance, logistics, distribution, consultancy of the abovementioned businesses and international freight agency. With respect to the registered capital of USD 50 million of COSCOL Tianjin, the Company holds 70% equity shares while COSCOL HK the rest 30%.

Beginning at 2007, Tianjin COSCO Shipping Co., Ltd. was included in the consolidated financial report of the Company.

COSCO Shipping Co., Ltd.

Chairman of the Board: Xu Lirong

March 19th, 2008