Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

中國遠洋控股股份有限公司

China COSCO Holdings Company Limited*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code : 1919)

ANNOUNCEMENT
SUPPLEMENTAL INFORMATION REGARDING 2008 ANNUAL REPORT

In accordance with the requirements of the Shanghai Stock Exchange, the Company will publish the PRC Announcement in relation to certain supplementary information regarding the 2008 annual report of the Company which was prepared under the China Corporate Accounting Standards on the website of the Shanghai Stock Exchange and in designated newspapers circulating in the PRC.

Details of the PRC Announcement is set out below in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In accordance with the requirements of the Shanghai Stock Exchange, China COSCO Holdings Company Limited (the "Company") will publish an announcement (the "PRC Announcement") in relation to certain supplementary information regarding the 2008 annual report of the Company which was prepared under the China Corporate Accounting Standards (the "2008 A-Share Annual Report") on the website of the Shanghai Stock Exchange and in designated newspapers circulating in the People's Republic of China (the "PRC").

Details of the PRC Announcement is set out below in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

The board of directors of the Company (the "Board") and all of its members confirm that there is no misrepresentation or misleading statement contained in or material omission from this announcement, and jointly and severally accept full responsibilities for the truthfulness, accuracy and completeness of the information contained in this announcement.

On 23 April 2009, the Company has disclosed the full text and summary of the 2008 A-Share Annual Report on the website of the Shanghai Stock Exchange （www.sse.com.cn） and in China Securities Newspaper (《中國證券報》、Shanghai Securities Newspaper《上海證券報》and Securities Times(《證券時報》), and now provide supplementary information on certain matters in the 2008 A-Share Annual Report as follows:

1. **Reasons for the difference in A-Share and H-Share annual reports relating to functional currencies**

   The Company has prepared its financial statements for H-Shares and A-Shares in accordance with the Hong Kong Financial Reporting Standards and the China Corporate Accounting Standards, respectively. The Company was listed on the Hong Kong Stock Exchange on 30 June 2005. In accordance with the Hong Kong Financial Reporting Standards and with reference to the recognitions of functional currencies by other international shipping companies which adopt International Financial Reporting Standards, US dollars has been determined as the functional currency of the Company and its PRC subsidiaries which are engaged in international container shipping business (and PRC subsidiaries which were acquired in 2007 and engaged in international dry bulk shipping business) the annual report of the Company which was prepared under the Hong Kong Financial Reporting Standards ("H-Share Annual Report"). In practice, the books and records of the Company and the above-mentioned PRC subsidiaries are still denominated in RMB, and adjustment on their functional currencies is made to comply the relevant standards. The Company was listed on the Shanghai Stock Exchange on 26 June 2007. The financial statements disclosed in the prospectus in respect of the initial public offering of A shares of the Company were prepared based on the new China Corporate Accounting Standards and denominated in RMB. The notes to the financial statements has disclosed in detail its difference from the financial statements prepared on the basis of the Hong Kong Financial Reporting Standards.

   As such, the difference in functional currencies of the Company is mainly due to the above-mentioned historical reasons.

2. **Part of the investments is classified as available-for-sale financial assets and long-term equity investments respectively in the A-Share and H-Share Annual Reports**

   According to Hong Kong Financial Reporting Standards 32 and 39, equity investments for which the Company has no control, common control and significant influence are presented as available-for-sale financial assets in the H-Share Annual Report of the Company prepared in accordance with Hong Kong

Financial Reporting Standards and are stated at fair value on the balance sheet date. For available-for-sale financial assets which have no active market (being non-listed securities), the fair value of such assets in the H-Share Annual Report are measured based on the valuation report prepared by a professional valuer or the management. The methods adopted included the discounted cash flow analysis or price-to-earnings ratio or price-to-book ratio.

According to China Corporate Accounting Standard No.2 - Long-Term Equity Investments, long-term equity investments, for which the Company has no common control or significant influence and without quoted prices in an active market and the fair value of which cannot be measured reliably, are valued at cost in the A-Share Annual Report of the Company prepared in accordance with China Corporate Accounting Standards and are presented as items under long-term equity investments.

3. **Risk management control for forward freight agreement ("FFA") and its matching with long-term contracts of affreightment ("COA") cargo**

Since the acquisition of dry bulk shipping business at the end of 2007, the Company has adhered to the principle of "evaluation first, execution later, and emphasis on internal control and making careful decision" over FFA operation. The Company continued to strengthen the formation of the internal control system of FFA and to consistently implement the related procedures on its FFA operation. The operation of FFA has been strictly controlled through aspects such as organizational structure, segregation of duties, operating principles, decision making and authorization, operating procedures and risk management. The Company designates members of the leading team and the operating team and clearly defined the functions of these two teams. In 2008, the Company made amendments to its procedure on FFA operation to further improve the internal control system, authorization management, operational flow etc., and adjusted the structure of the risk management committee for dry bulk shipping companies, facilitated the formation of a risk management team headed by the Company's management as leaders and jointly formed by the internal audit, finance and strategic development departments. As a result, roles and responsibilities of the FFA decision making division, execution division and risk management division are separated completely and the risk management control is enhanced.

Through FFA, the Company is able to balance risks and achieve operatioal hedge. The procedures are: the Company bought in FFA contracts after signing COA with cargo owners in order to prevent the rising of freight rate, causing the increase in the chartered-in expense. When the freight rate increases, the FFA contracts will generate gain which is able to offset part of the increase in chartered-in expense. When the freight rate decreases, the FFA contracts will make certain losses but the COA cargo will generate increase correspondingly due to the lower chartered-in costs exposure. This will achieve the operational hedge, create balance in capacity and limit the operating risk exposure of enterprises arising from market volatilities. For example, the downward trend since November 2007 was followed at the beginning of the first quarter of 2008, the Company has a large amount of COA contracts on hand. The Company bought in part of the FFA contracts in time to hedge the value and lock the costs of chartered-in capacity. Subsequent to May 2008, freight rate kept rising while COA rate remained stable. If the chartered-in capacity executes these COA contracts, substantial loss will be incurred. The FFA contracts bought in during the first quarter that had a balancing effect on the implementation of such part of cargo.

As at 31 December 2008, the matching status of FFA and COA cargo was as follows: corresponding operating days for outstanding FFA were 16,315 days, while corresponding operation days for COA contracts were 18,685 days. With the former less than the latter, a hedging effect is thus displayed.

4. **The accounting treatment on recognition of estimated liabilities of loss-making contracts**

According to the relevant requirements of the China Corporate Accounting Standard No. 13, the Company's dry bulk shipping subsidiaries evaluated the present obligation arising from chartered-in contracts signed before 31 December 2008 at the end of the reporting period. [For those chartered-in contracts which were onerous and the loss arising from such onerous contract satisfied the requirement of Standard 4, such loss will be recognized as estimated liabilities. Among these contracts, for chartered-in vessels contracts for which associated chartered-out contracts have been signed, comparison will be made between the estimated economic benefit inflow calculated based on the contracted price and unavoidable expenses of the chartered-in contracts, and where losses were resulted, estimated liabilities will be recognized based on the estimated loss amount and included in the current profit and loss of 2008 (the "out-of-operation expenses" item) under 2008 A-Share Annual Report. For those risk exposing chartered-in contracts to be expired before the end of 2009, comparison will be made between estimated inflow of economic benefits forecasted according to the market level of 2000 points on average of the expected BDI Index in 2009 and avoidable expenses. Where losses were incurred, estimated liabilities will be recognised based on the estimated loss amount and included in the current profit and loss of 2008 (the "out-of-operation expenses" item). For those chartered-in contracts to be expired after the end of

2009, due to the long duration of those contracts, it is difficult to make accurate judgments to the economic environment and shipping market condition for the long run in the future. Under that condition, such chartered-in contracts are unable to confirm as onerous contracts, the recognition condition of estimated liabilities is unable to fulfill, such contracts cannot be recognized as estimated liabilities.

Based on the above principles, the Company's dry bulk shipping companies recognized an estimated liability of RMB 1,798,529,130.23 for the chartered-in contracts for period covered by signed charter-out contracts; and recognized an estimated liability of RMB 3,437,161,386.46 for the unsecured portion of chartered-in contracts to be expired by the end of 2009, making a total recognized estimated liability of RMB 5,235,690,516.69.

By Order of the Board
China COSCO Holdings Company Limited
Zhang Yongjian
Company Secretary

Beijing, the People's Republic of China
8 May 2009

As at the date of this announcement, the executive directors of the Company are Mr. WEI Jiafu (Chairman and CEO) and Mr. CHEN Hongsheng (President); the non-executive directors of the Company are Mr. ZHANG Fusheng (Vice Chairman), Mr. LI Jianhong, Mr. XU Lirong, Mr. ZHANG Liang and Ms. SUN Yueying; and the independent non-executive directors of the Company are Ms. LI Boxi, Mr. Alexander Reid HAMILTON, Mr. CHENG Mo Chi and Mr. TEO Siong Seng.

* *The Company is registered as a non-Hong Kong company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under its Chinese name and the English name "China COSCO Holdings Company Limited".*