



中遠國際控股有限公司

COSCO INTERNATIONAL HOLDINGS LIMITED

Press Release

【For Immediate Release】

COSCO International further disposes of non-core business Sells 51% interest in SY COSCO Yihe

On 24th August 2007 COSCO International Holdings Limited (“COSCO International” or “the Company”, SEHK stock code: 0517) announces the disposal of 51% interest in Shenyang COSCO Yihe Property Development Co., Ltd. (“SY COSCO Yihe”) to Long Sen Investments (Hong Kong) Limited through its indirect wholly-owned subsidiary. The aggregate consideration of the transaction amounted to RMB55,667,000. By selling its 51% interest in SY COSCO Yihe, COSCO International further materializes its development strategy of disposal of non-core business and focus on its core business of ship trading and supplying services. However, the Company intends to keep its investment of 30.8% interest in Sino-Ocean Land Limited (“SORED”).

After the equity transfer signing ceremony, Mr. Liu Guoyuan, Vice Chairman of COSCO International said, “COSCO International established a joint venture, namely SY COSCO Yihe, to develop a low density residential community, COSCO Yihe Garden, in Shenyang in July 2003. The project has made a stable profit contribution to COSCO International over the past few years. As units have been sold and delivered, the scale of the project has diminished. In line with the Company’s strategy to focus on its core business in ship trading and supplying services and further to the disposal of our building construction business in Hong Kong earlier this year, the Company has therefore decided to withdraw from direct participation in property development projects in China by selling its interest in SY COSCO Yihe. Nevertheless, we will maintain our investment in property development through SORED, which has been demonstrating an impressive growth, contributing to the sustainable development of the Company and maximizing our shareholders’ value.”

SY COSCO Yihe is a sino-foreign joint venture which is owned as to 51% equity interest by the Company, 29% by COSCO Guangzhou Construction Industry Company (“GZ Construction”) and 20% by Guangzhou Yihe Investment & Development Co., Ltd. Its property project in Shenyang, COSCO Yihe Garden, has a total gross floor area of approximately 200,000 square metres. The project offers approximately 1,400 residential units. As at the end of 2006, COSCO Yihe Garden has cumulatively sold 147,300 square meters. The consideration for the disposal was arrived at after arm’s length negotiations between the parties. It is expected that the Company will benefit from a profit contribution of approximately HK\$2,000,000 upon the completion of the transaction and the proceeds will strengthen the Company’s working capital and provide funds for investment opportunities that are more in line with the Company’s strategy.

As GZ Construction, a substantial shareholder of SY COSCO Yihe, is also an associate of the controller of the Company, China Ocean Shipping (Group) Company, under the Listing Rules, the disposal constitutes a discloseable and connected transaction of the Company. The transaction will therefore be subject to the independent shareholders’ approval.

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SY COSCO Yihe Equity Transfer Signing Ceremony

Front row: (Left) Mr. Lu Ziquan, shareholder of Long Sen Investments (Hong Kong) Limited;
(Right) Mr. Liang Yanfeng, Managing Director of COSCO International



Vice Chairman Liu Guoyuan delivered his speech at the ceremony.



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Company Background

COSCO International Holdings Limited has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since February, 1992 (Stock Code: 0517). In recent years, COSCO International focused on its strategic business position on the development of the ship trading and supplying services business. It aims to become a professional and competitive ship trading and supplying services provider. Its core businesses are ship trading and supplying services, other business operations include property development and property investment, etc.

Relationship with Parent Company

COSCO International is a listed company owned by COSCO (Hong Kong) Group Limited, which is a wholly-owned subsidiary of China Ocean Shipping (Group) Company (“COSCO”). COSCO is one of the most recognized multinational conglomerates in the world, which focuses mainly on shipping and logistics businesses as well as other shipping related businesses. COSCO Hong Kong is an important overseas regional headquarters and conglomerate of COSCO Group, operating and managing a few hundred subsidiaries in Hong Kong and Macau. The main business aspects of COSCO Hong Kong include dry bulk shipping, ship trading and supplying services, information technology, property development, property management, etc.

Editorial Note

Details of the announcement of the discloseable and connected transaction and this press release are available on the website of COSCO International: www.coscointl.com.

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